

**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 WINDSOR MACHINE & STAMPING
LIMITED AND THE CORPORATIONS LISTED IN
SCHEDULE "A"**

Applicants

RESPONDING MOTION RECORD

(Motion by Union for termination and severance pay
returnable February 24, 2009)

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SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winmach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winmach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

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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 WINDSOR MACHINE & STAMPING
LIMITED, LIPEL INVESTMENTS LTD., WMSL
HOLDINGS LTD., 442260 ONTARIO LTD., WINMACH
CANADA LTD., PRODUCTION MACHINE SERVICES
LTD., 538185 ONTARIO LTD., SOUTHERN WIRE
PRODUCTS LIMITED, PELLUS MANUFACTURING LTD.,
TILBURY ASSEMBLY LTD., ST. CLAIR FORMS INC.,
CENTROY ASSEMBLY LTD., PIONEER POLYMERS INC.,
G&R COLD FORGING INC., WINDSOR MACHINE DE
MEXICO, WINMACH INC., WINDSOR MACHINE
PRODUCTS, INC., WAYNE MANUFACTURING INC. and
383301 ONTARIO LIMITED**

Applicants

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TAB 1

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 WINDSOR MACHINE & STAMPING LIMITED, LIPEL INVESTMENTS
LTD., WMSL HOLDINGS LTD., 442260 ONTARIO LTD., WINMACH CANADA
LTD., PRODUCTION MACHINE SERVICES LTD., 538185 ONTARIO LTD.,
SOUTHERN WIRE PRODUCTS LIMITED, PELLUS MANUFACTURING LTD.,
TILBURY ASSEMBLY LTD., ST. CLAIR FORMS INC., CENTROY ASSEMBLY
LTD., PIONEER POLYMERS INC., G&R COLD FORGING INC., WINDSOR
MACHINE DE MEXICO, WINMACH INC., WINDSOR MACHINE PRODUCTS,
INC., WAYNE MANUFACTURING INC. and 383301 ONTARIO LIMITED

AFFIDAVIT OF LIONEL J. PELTIER
(Sworn February 13, 2009)

I, Lionel J. Peltier, of the City of Windsor, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of Windsor Machine & Stamping Limited ("WMSL"), Lipel Investments Ltd. ("Lipel"), WMSL Holdings Ltd., 442260 Ontario Ltd., Winnmach Canada Ltd., Production Machine Services Ltd., 538185 Ontario Ltd., Southern Wire Products Limited, Pellus Manufacturing Ltd. ("Pellus"), Tilbury Assembly Ltd. ("Tilbury"), St. Clair Forms Inc., Centroy Assembly Ltd., Pioneer Polymers Inc. ("PPP"), G&R Cold Forging Inc. ("G&R"), Windsor Machine de Mexico, Winnmach, Inc., Windsor Machine Products, Inc., Wayne Manufacturing, Inc. and 383301 Ontario Limited (collectively, the "Applicants") and as such, I have personal knowledge of the matters to which I hereinafter depose, save and except where I have indicated that I have obtained the facts from other sources, in which case I verily believe those facts to be true.

2. I have read the affidavits of William Pollock, President of Local 251 of the International Union, United Automobile Aerospace and Agricultural Implement Workers of America ("Union") sworn January 29, 2009 (the "Pollock January 29 Affidavit") and February 6, 2009

(the “**Pollock February 6 Affidavit**”) filed in support of the relief sought by the Union in its motion returnable on February 24, 2009.

3. The management of each of Tilbury and Pellus does not dispute that the Union and the bargaining unit employees of Tilbury and Pellus (the “**Tilbury Union Employees**” and the “**Pellus Union Employees**”, respectively) have been supportive of the Applicants’ restructuring efforts since the commencement of the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA Proceedings**”) on August 6, 2008.

4. Reflective of that support, the management of Tilbury has had an ongoing dialogue with the Union with respect to the proposed closure of the Tilbury operating facility since the beginning of September. The dialogue with the Union with respect to the proposed closure of the Pellus operating facility commenced in January, immediately following the decision of the management of Pellus to permanently cease and shut down operations at that facility.

5. The Union represents the Tilbury Union Employees and the Pellus Union Employees, as well as the bargaining unit employees of G&R and PPI. There are four (4) separate collective agreements that have been entered into and are effective between the Union and each of Tilbury, Pellus, G&R and PPI.

6. The Pollack January 29 Affidavit and the Pollack February 6 Affidavit do not reflect the ongoing dialogue with the Union on the issues of operational closures, nor the context in which this dialogue has occurred.

A. Background to the Tilbury and Pellus Closures

Reduction of Production at the Tilbury Facility

7. After the commencement of the CCAA Proceedings, the Applicants and General Motors Company (“**GM**”) initiated and concluded discussions, the result of which was that GM committed to resource its production to an alternative supplier. As a consequence of this resolution, GM and certain of its divisions and affiliates, WMSL and certain of its divisions and affiliates that are Applicants and Bank of Montreal (the “**Bank**”) entered into a Transition Agreement dated October 6, 2008 (the “**GM Transition Agreement**”). The GM Transition Agreement and the terms thereof were each approved by Orders made by this Honourable Court on October 8, 2008 and October 17, 2008 (the “**GM Transition Agreement Approval**”).

Orders”). Copies of the GM Transition Agreement Approval Orders are annexed as Exhibit “A” to this my Affidavit.

8. The resourcing of production for GM to an alternative supplier was a significant factor in the cessation of the Tilbury operations, given that approximately 40% of the Applicants’ production volumes for GM had been produced at the Tilbury facilities.

B. Reduction of Overall Production Volumes

9. As outlined in my Affidavits sworn October 16, 2008, December 2, 2008 and January 26, 2009 (the “Peltier Affidavits”) in support of motions for, among other relief, extensions of the Stay Period in the Amended and Restated Initial Order made by this Honourable Court on September 2, 2008, as amended (the “Amended and Restated Initial Order”), the uncertainties in the automotive industry since the commencement of the CCAA Proceedings have resulted in a decline in production volumes for component parts generally, inclusive of the current requirements of the Applicants’ customers. These circumstances have accelerated the need for the Applicants to restructure their operations by reducing costs.

C. Sales Process

10. RSM Richter Inc., the monitor (the “Monitor”) for the Applicants appointed under the Initial Order made by this Honourable Court on August 6, 2008 (the “Initial Order”), was authorized to conduct a sales process (the “Sales Process”) pursuant to and in accordance with the Order made by this Honourable Court on October 8, 2008 (the “Sale Process Approval Order”). A copy of the Sale Process Approval Order is attached as Exhibit “B” to this my Affidavit.

11. As reported in the Fourth Report of the Monitor date December 2, 2008 (a copy of which (without Appendices) is attached as Exhibit “C” to this my Affidavit) (the “Monitor’s Fourth Report”), the Monitor advised that by November 18, 2008, the offer deadline, no offers had been received in the Sales Process. At the time, the Monitor understood that one party might be preparing an offer, but no offer was subsequently received by the Monitor from this (or any other) party.

D. Restructuring Efforts of the Applicants

12. As identified in the Peltier Affidavits, the efforts of the Applicants in October and early November, 2008 were directed to securing sources of funding the Applicants' restructuring initiatives from prospective purchasers, financial institutions and other providers of capital and strategic partners and investors. The Applicants considered filing a plan of arrangement during that period.

13. When these efforts proved unsuccessful, the principals of WMSL (the "Shareholders") focused their initiatives on negotiating a consensus with the Bank and with Export Development Canada ("EDC") to obtain financing from the Bank and from EDC for two newly incorporated corporations ("Newcos") to be controlled by the Shareholders which would purchase the Applicants' assets, properties and undertakings on a going concern basis (the "Proposed Sale").

14. I am of the view that the Proposed Sale is the only alternative to a liquidation sale or auction of the Applicants' assets and properties which is available in the current market environment. I have outlined my reasons for this view in the Peltier Affidavits.

15. It is a condition of the financing of the Proposed Sale that the land and buildings owned by Lipel and leased to Tilbury and Pellus be sold. It is anticipated that the assets that the Newcos will purchase from Tilbury and Pellus will consist of production machinery, equipment, tools and dies and any remaining inventory. For the reasons outlined in paragraph 32 of this my Affidavit, the Newcos will not be making an offer of employment to any of the Tilbury Union Employees or the Pellus Union Employees.

E. Assessment of Recoveries for the Unsecured Creditors of the Applicants

16. The Applicants are not currently in a position to file a plan of compromise or arrangement in the CCAA Proceedings. As the Monitor has noted in the Monitor's Fourth Report:

"...it is clear to both the Monitor and the Company that the recoveries on either a going-concern basis or a liquidation basis would be insufficient to repay both the Company's obligations to the Bank and a secured obligation of approximately \$10.29 million that is owed by the Company to its parent pursuant to a loan transaction that took place in 2004 and which has been subordinated to the Bank's security. Due to the current state of the automotive industry, the state of the capital markets and the inability of the Company to secure funds to restructure the

Company, the Company is not in a position to proceed with a plan of arrangement that would see value paid to the Company's pre-filing unsecured creditors."

The Applicants note that the Monitor's assessment that there is no value available for payment to the Applicants' pre-filing unsecured creditors applies, in the view of the Applicants, equally to payment of post-filing restructuring claims of the Applicants' unsecured creditors.

F. Orders Made in the CCAA Proceedings and the DIP Loan Agreement

17. The discussions with the Union and the request for relief by the Union in its motion returnable on February 24, 2009 must be viewed in the context of the provisions of Orders made in the CCAA Proceedings and the terms of the DIP Loan Agreement dated as of the 5th day of August, 2008 between WMSL, the other Applicants and the Bank (the "DIP Loan Agreement") (the entering into of which was approved in the Initial Order).

G. Amended and Restated Initial Order

18. Under the terms of the Amended and Restated Initial Order, the Applicants are entitled but not required to make certain payments, which include wages, and other employee entitlements incurred in the ordinary course of the Applicants' businesses (but not, as Mr. Pollock has stated in paragraph 11 of the Pollock January 29 Affidavit, severance or termination payments):

7. THIS COURT ORDERS that the Companies shall be entitled but not required to pay the following expenses whether incurred prior to or after the Initial Order:

- (a) all outstanding and future wages, salaries, regularly scheduled contributions that are due or that become due to any registered pension plan or pursuant to any collective agreements, union dues, vacation pay, and employee reimbursement expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements.....

19. The permanent cessation, downsizing, shutdown or consolidations of the Applicants' businesses and operations (including the termination of the employment of the Applicants' employees) are addressed in paragraphs 11(b), (c) and (d) of the Amended and Restated Initial Order as follows:

11. THIS COURT ORDERS that each Company shall, subject to such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right, provided Bank of Montreal consents thereto in writing, to:

- (a) permanently or temporarily cease, downsize or shut down any of its businesses or operations;
- (b) consolidate its businesses or operations with the businesses or operations of one or more of the other Companies, provided that in connection with any such consolidation, title to any Property of the consolidating Company shall not be transferred to another Company or Companies, and the consolidating Companies shall, with the assistance of the Monitor, continue to maintain separate books of account for each of the consolidating Companies;
- (c) **subject to the provisions of any applicable seniority provisions of any applicable collective agreement, terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Company and such employee, or failing such agreement, to deal with the consequences thereof in the Plan.....**

20. The right of the Applicants to negotiate the terms on which termination and severance payments may be made upon termination of the employment of the Applicants' employees is subject to the covenants which are contained in the Definitive Documents (which term includes the DIP Loan Agreement) under the terms of the Amended and Restated Initial Order.

21. Under the terms of the DIP Loan Agreement, the Applicants, with limited exemptions that do not include the making of termination and severance payments, are not permitted to do anything which adversely affects the ranking of the obligations of WMSL to the Bank under either the DIP Loan Agreement or under the Amended and Restated Credit Agreement that governs the terms of loans made by the Bank to WMSL prior to the commencement of the CCAA Proceedings:

17. **Negative Covenants:** The Borrower shall, not without the Lender's prior written consent, and shall not permit any Guarantor to, without the Lender's prior written consent:

- (d) do anything which adversely affects the ranking of its Obligations to the Lender hereunder (other than the granting of Permitted Priority Liens) or its obligations to the Lender under the Senior Credit Agreement (other than the granting of Permitted Liens).....

A copy of the DIP Loan Agreement is attached as Exhibit "D" to this my Affidavit.

22. While WMSL has not yet drawn on the DIP Facility (and the DIP Facility is not anticipated to be drawn before the 27th day of February, 2009), the covenants of WMSL that were given under the DIP Loan Agreement approved by this Honourable Court and reflected in the Amended and Restated Initial Order were with a view to securing the commitment of the Bank to the Applicants' initiation of the CCAA Proceedings and for the Applicant's restructuring initiatives.

23. The provisions of the DIP Loan Agreement provide that advances from the Bank to WMSL could be loaned to Pellus and Tilbury (among other CCAA Applicants) to fund ordinary course operations of those affiliates. This is reflected in the terms of the Amended and Restated Initial Order that permits the loan of funds by WMSL to affiliates, subject to the overriding provision that such funds be expended to pay all reasonable expenses incurred in carrying on their businesses in the ordinary course. As Tilbury and Pellus have no funds to pay any termination or severance pay to the Tilbury Union Employees or to the Pellus Union Employees, they would have to ask that WMSL lend them sufficient funds for that purpose.

II. Security Granted to the Bank

24. As reflected in the Fifth Report of the Monitor dated January 26, 2009 (the "**Monitor's Fifth Report**"), reviews of the security granted by the Applicants to the Bank have been conducted by the Monitor's counsel. A copy of the Monitor's Fifth Report with Appendices "C" and "D" thereto are attached as Exhibit "E" to this my Affidavit.

25. The Monitor's Fifth Report summarizes this review of the validity and enforceability of the security of the Bank as follows:

"Earlier in these proceedings the Monitor requested that Ogilvy [Renault LLP] provide a review of the validity and enforceability of the security held by the Bank. Ogilvy has provided security opinions regarding Ontario personal property security and Ontario real property security (the "**Ontario Security Opinions**"). Subject to the assumptions and qualifications contained in the Ontario Security Opinions, Ogilvy is of the view that the Bank holds a validity perfected security interest in the Ontario collateral granted for the obligations owing to it. The Monitor also engaged Clark Hill PLC to provide a security opinion regarding Michigan personal property security (the "**Michigan Security Opinion**"). subject to the assumptions and qualifications contained in the Michigan Security Opinion, Clark Hill PLC is of the view that the Bank holds a validly perfected security interest in the Michigan collateral granted for the obligations owing to it."

I. Orders Made October 29, 2008

26. In paragraph 13 of the Pollock January 29 Affidavit, Mr. Pollock has noted the provisions in the Order made October 29, 2008 (the “October 29 Orders”) of this Honourable Court that specifically state that the *Employment Standards Act* (the “ESA”) continues to apply.

27. I am advised by counsel for the Applicants, Joseph Marin of Miller Thomson LLP, that the terms of the October 29 Orders were settled on a consensual basis, and that the intention for this inclusion in the October 29 Orders was not to have the Applicants acknowledge that they were liable for termination and severance obligations, but to make clear that the notice of one week for termination of the employment of employees on the expiry of the access periods under the Access Agreements approved in the October 29 Orders would not operate to neutralize or suspend the provisions of the ESA.

28. In any event, the provision in the October 29 Orders was included to apply to the exercise of rights of access to the Applicants’ facilities by the customers that are parties to the Access Agreements. Those customers have not exercised such right of access, nor are they entitled under the terms of the Access Agreements to do so.

J. Negotiations with the Union

29. As early as September 11, 2008 at a meeting at which I attended, I advised the Union representatives that there was a good likelihood that Tilbury’s operations would permanently be shut down and that production at Tilbury would be relocated to the PPI facilities. In the discussions with the Union in the month of September, I advised the Union that the Tilbury closure could occur as early as October and as late as the end of the year. The closure of the Tilbury operations was deferred until December, and the employment of eight of Tilbury Union Employees was extended until later in December (and, in three instances, to the end of January).

30. In the period of September 23 to the end of November, negotiations between Tilbury and the Union were focussed on two issues in particular:

- (a) the possible transfer of certain of the Tilbury Union Employees to PPI to lessen the impact of the Tilbury closure; and
- (b) the entitlement of Tilbury Union Employees to severance payments.

31. Tilbury consistently advised the Union that Tilbury would not pay severance pay to the Tilbury Union Employees. The Union insisted that Tilbury pay severance pay to all Tilbury Union Employees who did not accept a transfer offer or who were not offered a transfer, in accordance with the provisions of the ESA. The collective agreement which applies to the Tilbury operations does not include provisions for the payment of severance entitlement.

32. It was not until the end of November that the management of Tilbury determined that a transfer of the employment of any of the Tilbury Union Employees was no longer economically feasible because of the decline in current and projected production volumes for the Applicants. The Union was advised of this decision at that time.

K. Entitlement of Pellus Union Employees to Termination and Severance Pay

33. As identified in paragraph 11 and Exhibit "H" to the Pollock February 6 Affidavit, the amount of termination pay calculated to be owing to the Pellus Union Employees assumes that the employment of the Pellus Union Employees will be terminated on February 20, 2009. This calculation appropriately deducts from the Union's calculation of termination notice entitlement the amount of the working notice. The amount of termination pay calculated would be reduced by any extension of the period of the working notice. As occurred with the Tilbury closure, the management of Pellus may extend this working notice if the operations of Pellus are to continue beyond February 20.

34. As of this date, management of Pellus has estimated that the operations of Pellus will continue after February 20, although the closure date and the staging of the timing for the termination of the employment of the Pellus Union Employees is yet to be determined. It is currently anticipated that there will be delays in transitioning production at Pellus to the PPI facilities.

35. The number of Pellus employees whose employment will be terminated as a result of the closure of the Pellus facility is 43, of whom 40 are Pellus Union Employees. Pellus has advised the Union of its position that under the provisions of the ESA, the Pellus Union Employees are not entitled to be paid severance pay because:


(a) each Pellus Union Employee is not one of 50 or more employees who will have had their employment relationship with Pellus severed within a six-month period; and

(b) Pellus does not have a payroll of \$2.5 million or more.

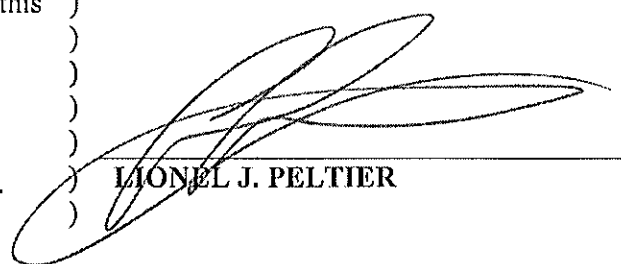
36. The relevant provisions of the ESA are attached as Exhibit "F" to this my Affidavit.

37. This Affidavit is sworn in response to the motion of the Union returnable February 24, 2009 and for no improper purpose.

SWORN before me at the City of)
Windsor in the Province of Ontario this)
13th day of February, 2009.)




Commissioner for Taking Affidavits
Gerald E. Skillings

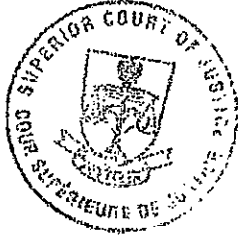


LIONEL J. PELTIER

TAB A

**This is Exhibit "A" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009**


A COMMISSIONER FOR TAKING AFFIDAVITS
Gerald E. Skellings



Court File No. CV-08-7672-00CL

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

THE HONOURABLE)
JUSTICE MORAWETZ) WEDNESDAY, THE 8th
DAY OF OCTOBER, 2008

**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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

ORDER

THIS MOTION, made by Windsor Machine & Stamping Limited and the corporations listed in Schedule "A" for:

- (a) an Order abridging the time for, and validating the service of, the Notice of Motion and the materials filed in support of this motion;
- (b) an Order approving the Second Report of RSM Richter Inc. in its capacity as the Court-appointed Monitor (the "Monitor") dated October 3, 2008 (the "Monitor's Second Report");
- (c) an Order approving, authorizing and directing Windsor Machine & Stamping Limited ("Windsor Machine"), for and on behalf of itself and the Applicants that are parties thereto (the "Companies"), to enter into and proceed with the transactions contemplated by: (i) the accommodation agreement among Ford Motor Company, Windsor Machine and the Companies and Bank of Montreal (the "Bank"), a copy of which is attached as Appendix "D" to the Monitor's

Second Report; (ii) the accommodation agreement among Magna Seating of America, Inc. and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "E" to the Monitor's Second Report; and (iii) the accommodation agreement among Magna Structural Systems Inc. and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "F" to the Monitor's Second Report (such accommodation agreements, the "Accommodation Agreements"), with such alterations, amendments, deletions and additions as the parties thereto may agree;

- (d) an Order approving, authorizing and directing Windsor Machine and the Companies to enter into and proceed with the transactions contemplated by the transition agreement among General Motors Corporation and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "C" to the Monitor's Second Report and as Appendix "A" to the Supplement to the Second Report of the Monitor dated October 6, 2008 (the "Monitor's Second Report Supplement") (the "Transition Agreement");
- (e) an Order amending paragraph 33 of the Amended and Restated Initial Order made on the 2nd day of September, 2008 in these proceedings (the "Amended and Restated Initial Order") by deleting the reference to "September 19, 2008" in line 2 thereof and substituting therefor a reference to "October 17, 2008";
- (f) an Order that the confidential Schedules and Exhibits to the Accommodation Agreement identified in the Monitor's Second Report be sealed and treated as confidential pending further Order of this Court;
- (g) an Order approving a sales process on the terms outlined in the Monitor's Second Report (the "Sales Process");
- (h) an Order authorizing and directing the Monitor to commence the Sales Process no later than October 17, 2008; and

(i) such further and other relief as this Honourable Court may deem just

was heard this day at 300 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Second Report and the Monitor's Second Report Supplement, and upon hearing the submissions of counsel for the Applicants, the Bank and the Monitor, and other counsel appearing,

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion and the Motion Record herein be and it is hereby abridged so that the motion may be heard today and that further service on any interested party is hereby dispensed with.

MONITOR'S REPORT AND ACTIONS

2. THIS COURT ORDERS that the Monitor's Second Report and the Monitor's Second Report Supplement be and the same are hereby accepted and approved.

ACCOMMODATION AGREEMENTS

3. THIS COURT ORDERS that the Accommodation Agreements be and are hereby approved.

4. THIS COURT ORDERS that Windsor Machine and the Companies are hereby authorized, empowered and directed to, *nunc pro tunc*, enter into and complete the transactions contemplated by the Accommodation Agreements (the "Accommodation Agreements Transactions") in accordance with the Accommodation Agreements and with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Accommodation Agreements.

5. THIS COURT ORDERS that in completing the Accommodation Agreements Transactions, Windsor Machine and the Companies, subject to the terms and conditions of the Accommodation Agreements, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Accommodation Agreements Transactions as Windsor Machine and the Companies, in their

discretion, may deem to be reasonably necessary or advisable to complete the Accommodation Agreements Transactions and to take such steps as are necessary or incidental for the completion thereof.

6. THIS COURT ORDERS that Windsor Machine and the Companies are hereby authorized, empowered and directed to, *nunc pro tunc*, enter into and complete the transactions contemplated by the Transition Agreement (the "Transition Agreement Transactions") in accordance with the Transition Agreement and with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Transition Agreement.

7. THIS COURT ORDERS that in completing the Transition Agreement Transactions, Windsor Machine and the Companies, subject to the terms and conditions of the Transition Agreement, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transition Agreement Transactions as Windsor Machine and the Companies, in their discretion, may deem to be reasonably necessary or advisable to complete the Transition Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

AMENDMENT OF AMENDED AND RESTATED INITIAL ORDER

8. THIS COURT ORDERS that paragraph 33 of the Amended and Restated Initial Order be amended by deleting the reference to "September 19, 2008" in line 2 thereof and substituting therefor a reference to "October 17, 2008".

SEALING OF SCHEDULES AND EXHIBITS TO THE ACCOMMODATION AGREEMENTS AND TO THE TRANSITION AGREEMENT

9. THIS COURT ORDERS that the Schedules and Exhibits to the Accommodation Agreements and to the Transition Agreement, shall be and are hereby sealed and treated as confidential pending further Order of this Court.

CONDUCT OF SALES PROCESS

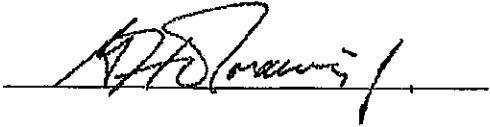
10. THIS COURT ORDERS that the Monitor is hereby authorized and directed to carry out a sales process in respect of the Property and the Business (in this Order, as each such term is defined in the Amended and Restated Initial Order) or any material portion or portions thereof, substantially in accordance with the sales process outlined in the Monitor's Second Report (the "Sales Process") and in that regard, the Sales Process is hereby approved and the Applicants and their respective officers, directors, employees, agents and consultants are hereby authorized and directed to assist the Monitor in carrying out and conducting the Sales Process, as may be requested by the Monitor, including, without limitation, providing to the Monitor any necessary contact information or any other information and documentation relating to the Property and Business of the Applicants subject to the Sales Process.

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

12. THIS COURT ORDERS that the Monitor is hereby authorized and directed to commence the Sales Process at such time as the Monitor deems appropriate, but in no event later than October 17, 2008.

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

OCT 08 2008

Joanne Nicoara
PER/PAR:  Registrar, Superior Court of Justice

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipcl Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winmach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winmach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

Court File No. CV-08-7672-00CL

**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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN
SCHEDULE "A"**

ONTARIO

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

Proceeding commenced at Toronto

ORDER

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Email: jmarin@millerthomson.com

*Solicitors For Windsor Machine &
Stamping Limited And The Corporations
Listed In Schedule "A"*



Court File No. CV-08-7672-00CL

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

THE HONOURABLE)
JUSTICE MORAWETZ)
FRIDAY, THE 17th
DAY OF OCTOBER, 2008

**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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

VESTING ORDER

THIS MOTION, made by Windsor Machine & Stamping Limited and the corporations listed in Schedule "A" pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended, for:

- (a) an Order abridging the time for, and validating the service of the Notice of Motion and the materials filed in support of this motion;
- (b) an Order vesting in General Motors Corporation (the "Customer") or its nominee the rights, titles and interests in and to certain assets of Windsor Machine & Stamping Limited and the corporations listed in Schedule "B" hereto (collectively, the "Companies") described in that certain transition agreement among the Customer, on behalf of itself, its divisions and its affiliates, the Companies and Bank of Montreal dated October 1, 2008 (the "Transition Agreement"), being the "Inventory" and the "Designated Equipment", each as defined in the Transition Agreement (collectively, the "Purchased Assets") upon the satisfaction of the conditions for the purchase of the Purchased Assets by the Customer under the terms of Sections 2.4 and 7 of the Transition Agreement; and

(c) such further and other relief as this Honourable Court may deem just,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Lionel Peltier sworn October 16, 2008 (the "Peltier Affidavit"), the Third Report of RSM Richter Inc. in its capacity as monitor (the "Monitor") of the Applicants (the "Monitor's Third Report"), the Supplement to the Third Report of the Monitor dated October 16, 2008 (the "Monitor's Third Report Supplement") and the Second Report of Doyle Salewski Inc. in its capacity as Chief Restructuring Advisor of the Applicants dated October 15, 2008 (the "CRA Second Report"), and upon hearing the submissions of counsel for the Applicants, Bank of Montreal, the Monitor, and other counsel appearing:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record herein and of the Monitor's Third Report, the Monitor's Third Report Supplement, the CRA Second Report and the Peltier Affidavit be and it is hereby abridged so that this motion is properly returnable today and that further service on any interested party is hereby dispensed with.

VESTING ORDER

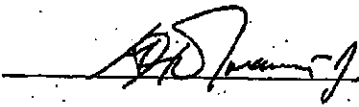
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery by the Monitor of a Monitor's certificate to the Customer or its nominee substantially in the form attached as Schedule "C" hereto (the "Monitor's Certificate"), all of the Companies' rights, titles and interests in and to the Purchased Assets described in such Monitor's Certificate shall vest absolutely in the Customer or its nominee, 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 (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Initial Order of the Honourable Justice Hoy dated August 6, 2008, as amended by the Amended Initial Order of the Honourable

Justice Newbould dated August 12, 2008 and by the Amended and Restated Initial Order of the Honourable Justice Mesbur dated September 2, 2008; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances"), and, for greater certainty, this Court orders that upon the delivery of the Monitor's Certificate, all of the Encumbrances affecting or relating to the Purchased Assets described in such Monitor's Certificate are hereby expunged and discharged as against such Purchased Assets. For greater certainty, the Monitor is authorized to deliver one or more Monitor's Certificates to permit the purchase and vesting of different categories of Purchased Assets within the time periods set out in the Accommodation Agreement.


3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of any Purchased Assets shall stand in the place and stead of such Purchased Assets, and that from and after the delivery of the Monitor's Certificate with respect to such Purchased Assets, all Claims and Encumbrances shall attach to the net proceeds from the sale of such Purchased Assets with the same priority as they had with respect to such Purchased Assets immediately prior to such sale, as if such Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
4. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of each Monitor's Certificate, forthwith after delivery thereof.
5. **THIS COURT ORDERS** 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 Companies 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 Companies or any of them,

the vesting of the Purchased Assets in the Customer or its nominee pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies or any of them and shall not be void or voidable by creditors of the Companies or any of them, nor shall it 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 it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. **THIS COURT ORDERS AND DECLARES** that the sale of all or any of the Purchased Assets shall be exempt from the application of the *Bulk Sales Act* (Ontario).
7. **THIS COURT ORDER AND DECLARES** that nothing in this Order will affect any equipment which is described in leases between Ryder Finance Corporation ("Ryder") and any Applicant or Applicants or the rights and interest of Ryder in and to such equipment.
8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States and Mexico to give effect to this Order and to assist the Companies, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Companies and the Monitor and their respective agents in carrying out the terms of this Order.


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

OCT 17 2008

PER/PAR: 

Joanne Nicora
Registrar, Superior Court of Justice

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.
WMSL Holdings Ltd.
442260 Ontario Ltd.
Winmach Canada Ltd.
Production Machine Services Ltd.
538185 Ontario Ltd. (Ellis Tool)
Southern Wire Products Limited
Pellus Manufacturing Ltd.
Tilbury Assembly Ltd.
St. Clair Forms Inc.
Centroy Assembly Ltd.
Pioneer Polymers Inc.
G&R Cold Forging Inc.
Windsor Machine de Mexico
Winmach, Inc.
Windsor Machine Products, Inc.
Wayne Manufacturing, Inc.
383301 Ontario Limited

SCHEDULE "B"

LIST OF SUPPLIERS

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

Schedule "C" – Form of Monitor's Certificate

Court File No. CV-08-7672-00CL

**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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hoy of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated August 6, 2008, as amended by the Amended Initial Order of the Honourable Justice Newbould dated August 12, 2008 and further amended and restated by the Amended and Restated Initial Order of the Honourable Justice Mesbur dated September 2, 2008, RSM Richter Inc. was appointed as the monitor (the "Monitor") of Windsor Machine & Stamping Limited and the corporations listed in Schedule "A".

B. Pursuant to an Order of the Court dated October 8, 2008, the Court approved, *inter alia*, the transition agreement dated October 1, 2008 (the "Transition Agreement") among General Motors Corporation, on behalf of itself, its divisions and its affiliates, (the "Customer"), Windsor Machine & Stamping Limited and corporations listed in Schedule "B" hereto (collectively, the "Companies"), and Bank of Montreal.

C. Pursuant to an order of the Court dated October 17, 2008, the Court provided for the vesting in the Customer or its nominee of the Companies' rights, titles and interests in and to the Purchased Assets described in Schedule "C" hereto, which vesting is to be effective with respect to such Purchased Assets upon the delivery by the Monitor to the Customer of a certificate

confirming (i) the payment by the Customer of the purchase price for such Purchased Assets and all other amounts which are payable at the time of payment of the purchase price for such Purchased Assets in accordance with Section 2.4 and/or Section 7 of the Transition Agreement, as applicable; (ii) that all conditions to the completion of such sale as set out in the Transition Agreement have been satisfied or waived by the Companies and the Customer; and (iii) the sale of such Purchased Assets has been completed to the satisfaction of the Monitor.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Accommodation Agreement.

THE MONITOR CERTIFIES the following:

1. The Customer has paid the purchase price for the Purchased Assets described in Schedule "B" hereto and all other amounts which are payable at the time of payment of the purchase price for such Purchased Assets in accordance with Sections 2.4 and/or Section 7 of the Transition Agreement, as applicable;
2. The conditions to the completion of sale of such Purchased Assets as set out in the Transition Agreement have been satisfied or waived by the Companies and the Customer; and
3. The sale of such Purchased Assets has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

RSM RICHTER INC., in its capacity as Court-appointed Monitor of Windsor Machine & Stamping Limited and the corporations listed in Schedule "A", and not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winmach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

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St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winmach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

SCHEDULE "B"

LIST OF SUPPLIERS

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

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 WINDSOR MACHINE & STAMPING LIMITED AND THE CORPORATIONS LISTED IN SCHEDULE "A"

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

Proceeding commenced at Toronto

VESTING ORDER

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Email: jmarin@millerthomson.com

*Lawyers for Windsor Machine & Stamping Limited
And The Corporations Listed In Schedule "A"*

TAB B

This is Exhibit "B" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009


A COMMISSIONER FOR TAKING AFFIDAVITS
Gerald E. Skillings



Court File No. CV-08-7672-00CL

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

THE HONOURABLE)
JUSTICE MORAWETZ) WEDNESDAY, THE 8th
DAY OF OCTOBER, 2008

**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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

ORDER

THIS MOTION, made by Windsor Machine & Stamping Limited and the corporations listed in Schedule "A" for:

- (a) an Order abridging the time for, and validating the service of, the Notice of Motion and the materials filed in support of this motion;
- (b) an Order approving the Second Report of RSM Richter Inc. in its capacity as the Court-appointed Monitor (the "Monitor") dated October 3, 2008 (the "Monitor's Second Report");
- (c) an Order approving, authorizing and directing Windsor Machine & Stamping Limited ("Windsor Machine"), for and on behalf of itself and the Applicants that are parties thereto (the "Companies"), to enter into and proceed with the transactions contemplated by: (i) the accommodation agreement among Ford Motor Company, Windsor Machine and the Companies and Bank of Montreal (the "Bank"), a copy of which is attached as Appendix "D" to the Monitor's

Second Report; (ii) the accommodation agreement among Magna Seating of America, Inc. and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "E" to the Monitor's Second Report; and (iii) the accommodation agreement among Magna Structural Systems Inc. and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "F" to the Monitor's Second Report (such accommodation agreements, the "Accommodation Agreements"), with such alterations, amendments, deletions and additions as the parties thereto may agree;

- (d) an Order approving, authorizing and directing Windsor Machine and the Companies to enter into and proceed with the transactions contemplated by the transition agreement among General Motors Corporation and certain of its divisions and affiliates, Windsor Machine and the Companies and the Bank, a copy of which is attached as Appendix "C" to the Monitor's Second Report and as Appendix "A" to the Supplement to the Second Report of the Monitor dated October 6, 2008 (the "Monitor's Second Report Supplement") (the "Transition Agreement");
- (e) an Order amending paragraph 33 of the Amended and Restated Initial Order made on the 2nd day of September, 2008 in these proceedings (the "Amended and Restated Initial Order") by deleting the reference to "September 19, 2008" in line 2 thereof and substituting therefor a reference to "October 17, 2008";
- (f) an Order that the confidential Schedules and Exhibits to the Accommodation Agreement identified in the Monitor's Second Report be sealed and treated as confidential pending further Order of this Court;
- (g) an Order approving a sales process on the terms outlined in the Monitor's Second Report (the "Sales Process");
- (h) an Order authorizing and directing the Monitor to commence the Sales Process no later than October 17, 2008; and

(i) such further and other relief as this Honourable Court may deem just

was heard this day at 300 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Second Report and the Monitor's Second Report Supplement, and upon hearing the submissions of counsel for the Applicants, the Bank and the Monitor, and other counsel appearing,

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion and the Motion Record herein be and it is hereby abridged so that the motion may be heard today and that further service on any interested party is hereby dispensed with.

MONITOR'S REPORT AND ACTIONS

2. THIS COURT ORDERS that the Monitor's Second Report and the Monitor's Second Report Supplement be and the same are hereby accepted and approved.

ACCOMMODATION AGREEMENTS

3. THIS COURT ORDERS that the Accommodation Agreements be and are hereby approved.

4. THIS COURT ORDERS that Windsor Machine and the Companies are hereby authorized, empowered and directed to, *nunc pro tunc*, enter into and complete the transactions contemplated by the Accommodation Agreements (the "Accommodation Agreements Transactions") in accordance with the Accommodation Agreements and with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Accommodation Agreements.

5. THIS COURT ORDERS that in completing the Accommodation Agreements Transactions, Windsor Machine and the Companies, subject to the terms and conditions of the Accommodation Agreements, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Accommodation Agreements Transactions as Windsor Machine and the Companies, in their

discretion, may deem to be reasonably necessary or advisable to complete the Accommodation Agreements Transactions and to take such steps as are necessary or incidental for the completion thereof.

6. THIS COURT ORDERS that Windsor Machine and the Companies are hereby authorized, empowered and directed to, *nunc pro tunc*, enter into and complete the transactions contemplated by the Transition Agreement (the "Transition Agreement Transactions") in accordance with the Transition Agreement and with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Transition Agreement.

7. THIS COURT ORDERS that in completing the Transition Agreement Transactions, Windsor Machine and the Companies, subject to the terms and conditions of the Transition Agreement, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transition Agreement Transactions as Windsor Machine and the Companies, in their discretion, may deem to be reasonably necessary or advisable to complete the Transition Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

AMENDMENT OF AMENDED AND RESTATED INITIAL ORDER

8. THIS COURT ORDERS that paragraph 33 of the Amended and Restated Initial Order be amended by deleting the reference to "September 19, 2008" in line 2 thereof and substituting therefor a reference to "October 17, 2008".

SEALING OF SCHEDULES AND EXHIBITS TO THE ACCOMMODATION AGREEMENTS AND TO THE TRANSITION AGREEMENT

9. THIS COURT ORDERS that the Schedules and Exhibits to the Accommodation Agreements and to the Transition Agreement, shall be and are hereby sealed and treated as confidential pending further Order of this Court.

CONDUCT OF SALES PROCESS

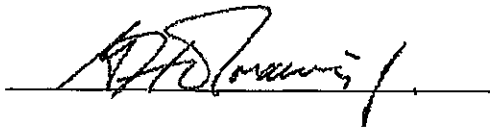
10. THIS COURT ORDERS that the Monitor is hereby authorized and directed to carry out a sales process in respect of the Property and the Business (in this Order, as each such term is defined in the Amended and Restated Initial Order) or any material portion or portions thereof, substantially in accordance with the sales process outlined in the Monitor's Second Report (the "Sales Process") and in that regard, the Sales Process is hereby approved and the Applicants and their respective officers, directors, employees, agents and consultants are hereby authorized and directed to assist the Monitor in carrying out and conducting the Sales Process, as may be requested by the Monitor, including, without limitation, providing to the Monitor any necessary contact information or any other information and documentation relating to the Property and Business of the Applicants subject to the Sales Process.

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

12. THIS COURT ORDERS that the Monitor is hereby authorized and directed to commence the Sales Process at such time as the Monitor deems appropriate, but in no event later than October 17, 2008.

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

OCT 18 2008

Joanne Nicoara
PER/PAR:  Registrar, Superior Court of Justice

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winnach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winnach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

Court File No. CV-08-7672-00C1

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 WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN
SCHEDULE "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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*Solicitors For Windsor Machine &
Stamping Limited And The Corporations
Listed In Schedule "A"*

TAB C

**This is Exhibit "C" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009**


A COMMISSIONER FOR TAKING AFFIDAVITS
Gerald E. Stullings

RSM! Richter

Fourth Report of RSM Richter Inc. Re: Windsor Machine & Stamping Limited and the Corporations Listed in Schedule "A"

RSM Richter Inc.
Toronto, December 2, 2008

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Appendix "B"	Cash Flow Projection for the Period Ending January 31, 2009
Appendix "C"	Richter Fee Affidavit Sworn December 2, 2008
Appendix "D"	Ogilvy Fee Affidavit Sworn December 2, 2008

Court File No. CV-08-7672-00CL

**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
WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

**FOURTH REPORT OF RSM RICHTER INC.
IN ITS CAPACITY AS MONITOR OF
WINDSOR MACHINE & STAMPING LIMITED ET AL.**

December 2, 2008

1. INTRODUCTION

This report is filed by RSM Richter Inc. ("Richter") in its capacity as monitor ("Monitor") of Windsor Machine & Stamping Limited ("WMSL") and the corporations listed in Schedule "A" (collectively, the "Company").

On August 1, 2008, WMSL, 538185 Ontario Ltd., Pellus Manufacturing Ltd. ("Pellus"), Tilbury Assembly Ltd. ("Tilbury"), G&R Cold Forging Inc. and 383301 Ontario Limited each filed a notice of intention to make a proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* ("NOI").

Pursuant to an order of the Ontario Superior Court of Justice (the "Court") made on August 6, 2008, as amended by an order of the Court made on August 12, 2008 (the "Initial Order"), and as further amended and restated by an order of the Court made on September 2, 2008 (the "Amended and Restated Initial Order"), the Company commenced

proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and the NOI proceedings were stayed. The Amended and Restated Initial Order was made on the consent of Bank of Montreal (the "Bank"), the Company's senior operating lender and the lender under the Company's debtor-in-possession loan facility ("DIP Facility"). A copy of the Amended and Restated Initial Order is attached as Appendix "A".

The Company's stay of proceedings currently expires on December 5, 2008.

1.1 Purpose of this Report

The purpose of this report ("Report") is to:

- a) Provide background information concerning the Company and these restructuring proceedings;
- b) Summarize the results of the sale process conducted by the Monitor (the "Sale Process") pursuant to and in accordance with the order made by this Honourable Court on October 8, 2008 (the "Sale Process Approval Order");
- c) Provide an overview of a proposed transaction for the sale of the Company's assets to a new company owned by the Company's current shareholders and to be incorporated for this purpose; and
- d) Recommend that this Honourable Court make an order:
 - i. Granting the Company's request for an extension of its stay of proceedings to January 31, 2009;
 - ii. Approving the Monitor's activities as described in this report; and
 - iii. Approving the fees and disbursements of the Monitor and its counsel, Ogilvy Renault LLP ("Ogilvy").

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 Monitor has relied upon unaudited financial information prepared by the Company's management, 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.

2. BACKGROUND

The Company is a manufacturer and distributor of customized steel rods, rubber, foam, and assembled products, such as headrests and exhaust suspension systems, for the automotive market. The Company also designs and fabricates much of the production machinery, tools and dies required in the manufacturing and assembly of its various parts.

Additional information with respect to the Company and these proceedings is provided in the Monitor's first report to Court dated August 27, 2008, its second report to Court dated October 3, 2008 (and supplement dated October 6, 2008) and its third report to Court dated October 10, 2008 ("Third Report") (and supplements dated October 16, 2008 and October 24, 2008). Copies of the Monitor's reports can be found on the Monitor's website at www.rsmrichter.com.

3. SALE PROCESS

The Monitor conducted the Sale Process in accordance with the Sale Process Approval Order. The deadline for submission of offers to the Monitor was November 18, 2008.

The following is a summary of the Monitor's activities in connection with the Sale Process:

- The Monitor researched and prepared a list of 118 prospective purchasers (approximately 68 strategic parties and 50 prospective investors);
- The Monitor prepared an interest solicitation letter that it circulated to approximately 118 targets who the Monitor believed may have had an interest in investing in or acquiring the Company's business and/or assets. Attached to this letter was a confidentiality agreement ("CA");
- An advertisement regarding this opportunity was published in *The Globe and Mail* (National Edition) on October 17, 2008;
- The Monitor prepared a confidential information memorandum ("CIM") that provided an overview of the Company's business, assets and Sale Process for prospective purchasers to review upon execution of a CA. Thirteen (13) parties executed a CA and received the CIM;
- The Monitor assembled information in an electronic data room. The Monitor facilitated due diligence requests received from prospective purchasers. Approximately six prospective purchasers performed diligence in the data room. Two prospective purchasers also attended at the Company's premises for a meeting with the Company's management and the Monitor;
- The Monitor also made available in the data room an electronic version of a form of offer. The form of offer was drafted as an asset purchase agreement. The Monitor recommended that prospective purchasers submit their offers to the Monitor in this form, or substantially in this form; and
- On November 18, 2008, the offer deadline, no offers were received; however, certain parties continue to have an interest in certain of the Company's operations. The Monitor also understands that one party may be preparing an offer.

4. PROPOSED TRANSACTION

As noted in the Third Report, during the course of these proceedings the Company has worked to restructure its business by eliminating excess costs, negotiating price increases with its customers and selling non-core real estate. Since the commencement of these proceedings, the Company and the Company's shareholders (the "Shareholders") have also pursued a number of initiatives to secure financing in order to put forth a proposal that would see the business continue. The Company considered filing a plan of arrangement and the Shareholders considered purchasing the business and assets.

The Monitor understands that these initiatives were initially focused on securing financing to restructure the Company's business; however, because of the declining state of the industry, and the general unavailability of funding required to implement such a restructuring, efforts were then directed to alternative structures to finance a purchase of the business and assets of the Company on a going concern basis.

The Monitor and the Company each performed a liquidation analysis of the Company's business and assets. The Monitor has not provided a copy of the Monitor's liquidation analysis to the Company or to the Shareholders because of the prospect that the Shareholders might consider submitting an offer if funding were available to them for such purpose. The Monitor has provided the Company and the Shareholders with its view of the liquidation value of the Company's business and assets.

The Monitor and the Company disagree on certain of the assumptions underlying their respective liquidation analyses. The Monitor's analysis indicates that the Bank may incur a loss on its advances to the Company, while the Company's analysis indicates that this is a certainty. (The Bank's advances to the Company are guaranteed to the extent of 50% by Export Development Canada ("EDC")). However, it is clear to both the Monitor and the

Company that the recoveries on either a going-concern basis or a liquidation basis would be insufficient to repay both the Company's obligations to the Bank and a secured obligation of approximately \$10.29 million that is owed by the Company to its parent pursuant to a loan transaction that took place in 2004 and which has been subordinated to the Bank's security. Due to the current state of the automotive industry, the state of the capital markets and the inability of the Company to secure funds to restructure the Company, the Company is not in a position to proceed with a plan of arrangement that would see value paid to the Company's pre-filing unsecured creditors.

That said, the business of the Company can survive should the Bank and EDC continue to support the business, and the continuation of the business would be in the best interests of the Company's major stakeholders, including its employees, its major customers, its secured creditors and its suppliers.

The Shareholders have discussed an agreement with the Bank and EDC, which discussions are advancing, to secure the financing required to purchase the business and assets of the Company (the "Proposed Transaction"). The assets would be purchased through companies to be incorporated for this purpose (the "Purchaser"). The Proposed Transaction will contain minimal conditions, including, *inter alia*, the approval of this Honourable Court, the granting of security by the Purchaser to the Bank and EDC and the Bank and EDC being comfortable with the Purchaser's business prospects.

The Proposed Transaction would see the Company's operations continue as a going concern business, which would continue to employ the majority of the Company's current employees.

As at the date of this Report the Purchaser, the Bank and EDC are in the process of finalizing the details of the Proposed Transaction. During the week of December 1, 2008, the Purchaser intends to contact the Company's major customers to discuss the Purchaser's business plan.

The Company, the Monitor and the Purchaser anticipate returning to Court when the details have been finalized to seek this Honourable Court's approval of the Proposed Transaction. The Company, the Monitor and the Purchaser are hopeful that the motion to seek approval of the Proposed Transaction will be heard by this Honourable Court in December, 2008.

5. CASH FLOW

As at the date of this Report, the Company had not drawn on the DIP Facility, largely due to post-filing vendors having extended credit to the Company, the major customers remitting payments in accordance with the expedited payment terms set out in the respective accommodation agreements and the recent depreciation of the Canadian dollar against the U.S. currency, in which most payments are remitted. Attached as Appendix "B" is the Company's weekly cash flow projection for the period ending January 31, 2009.

Although the DIP Facility has not yet been drawn, the Bank has agreed to extend the maturity date of the DIP Facility from December 5, 2008 to January 31, 2009 to coincide with the term of the respective accommodation agreements to which the Company is a party.

5.1 Company's Request for an Extension

The Company is seeking an extension of the stay of proceedings to January 31, 2009.

The Monitor supports the Company's request for an extension of the stay of proceedings for the following reasons:

- The Company is acting in good faith and with due diligence;
- It should not prejudice any employee or creditor, as arrangements are in place to pay for post-filing services and supplies;
- The Bank and EDC, the principal economic stakeholders in these proceedings, support the extension;
- It would allow the Company the opportunity to comply with its obligations under the accommodation agreements; and
- It would allow the Purchaser the time required to complete the Proposed Transaction.

6. PROFESSIONAL FEES

The Monitor's and Ogilvy's fees and disbursements, including GST, from the commencement of the CCAA proceedings to October 31, 2008, total \$554,597.89 (net of discounts totalling \$36,412.50) and \$182,098.52, respectively. As of the date of this report, the Monitor and Ogilvy have been paid \$356,505.53 and \$37,762.83.

Detailed invoices in respect of the fees and disbursements of the Monitor and Ogilvy are provided in exhibits to the affidavits of representatives of the Monitor and Ogilvy, attached as Appendices "C" and "D", respectively.

A summary of invoices is as follows:

RSM Richter Inc.

Period	Fees ¹ (\$)	Disbursements (\$)	GST (\$)	Total (\$)
Aug. 1,08-Aug. 31,08	164,972.50	18,050.85	9,151.17	192,174.52
Sept.1,08-Sept.30,08	149,027.50	7,478.22	7,825.29	164,331.01
Oct.1,08-Oct.31,08	168,475.00	20,184.39	9,432.97	198,092.36
Total	482,475.00	45,713.46	26,409.43	554,597.89

Ogilvy Renault LLP

Period	Fees (\$)	Disbursements (\$)	GST (\$)	Total (\$)
Aug. 1,08-Aug.22,08	25,625.00	18.52	1,282.18	26,925.70
Aug. 23,08-Aug. 31,08	9,727.50	165.00	494.63	10,387.13
Sept.1,08-Sept.30,08	43,100.00	323.90	2,168.00	45,591.90
Oct.1,08-Oct.31,08	93,048.75	1,422.29	4,722.75	99,193.79
Total	171,501.25	1,929.71	8,667.56	182,098.52

The Monitor has reviewed the accounts of Ogilvy and believes them to be reasonable.

7. OVERVIEW OF THE MONITOR'S ACTIVITIES

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

- Attending at the Company's premises on a near daily basis from October 14, 2008 to November 5, 2008, in order to carry out its mandate in accordance with the Initial Order;
- Working with the Company and its counsel, the Bank and its counsel, Lear Corporation ("Lear") and Johnson Controls Inc. ("JCI") to finalize the Lear access agreement and the JCI accommodation and access agreements;
- Assisting the Company to deal with numerous post-filing issues, including supplier and customer issues;

¹ Net of discounts totalling \$36,412.50.

- Corresponding with the Bank, including providing it with weekly cash flow variance analyses, in accordance with the terms of the DIP Facility and the Initial Order;
- Assisting the Company to prepare weekly financial projections for the period ending December 5, 2008. The weekly cash flow projections were filed with the Monitor's first supplement to the Third Report dated October 16, 2008 (the "First Supplemental Report");
- Assisting the Company to prepare weekly financial projections, incorporating the customer's inventory bank build requirements, for the period ending January 31, 2009;
- Preparing a liquidation analysis;
- Monitoring receipts and disbursements in accordance with the provisions of the Initial Order;
- Assisting to prepare financial projections for the period ending November 30, 2010, reflecting the performance of the restructured operations of the Company;
- Assisting the Company with the dissemination to the Bank of financial and other information;
- Reporting to customers in accordance with the terms of the Accommodation Agreements;
- Discussing with the Company its restructuring efforts and assisting the Company in this regard;
- Following up with prospective purchasers in respect of the Sale Process;
- Responding to creditor inquiries regarding these proceedings;
- Placing copies of materials filed in these proceedings on its website;
- Drafting the First Supplemental Report and second supplement to the Third Report, dated October 24, 2008;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

8. CONCLUSION AND RECOMMENDATION

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

* * *

All of which is respectfully submitted,

A handwritten signature in cursive script, appearing to read "D. Richter Inc.", written in dark ink.

**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
WINDSOR MACHINE & STAMPING LIMITED AND THE CORPORATIONS
LISTED IN SCHEDULE "A" AND NOT IN ITS PERSONAL CAPACITY**

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winmach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winmach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

TAB D

This is Exhibit "D" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009


A COMMISSIONER FOR TAKING AFFIDAVITS

Gerald E. Skellings

DIP LOAN AGREEMENT

This loan agreement is dated as of the 5th day of August, 2008,

AMONG:

WINDSOR MACHINE & STAMPING LIMITED

as Borrower

- and -

THE CORPORATIONS LISTED IN SCHEDULE "D"

as Guarantors

- and -

BANK OF MONTREAL

as Lender

1. **Borrower:** Windsor Machine & Stamping Limited (the "Borrower").
2. **Lender:** Bank of Montreal (the "Lender").
3. **Applicants:** Borrower and its affiliates listed in Schedule "D"
(collectively, the "Applicants" and individually, an "Applicant")
4. **Guarantors:** The affiliates of the Borrower listed in Schedule "D"
(collectively, the "Guarantors" and individually, a "Guarantor").
5. **Definitions:** Capitalized terms used without specific definition in this Agreement or in Schedule "A" hereto have the meanings ascribed to them in the Senior Credit Agreement. The Schedules attached to this Agreement are incorporated in this Agreement by reference as if set out in full herein.
6. **DIP Facility:** Subject to the provisions of this Agreement, the Lender hereby establishes a revolving credit facility (the "DIP Facility") in favour of the Borrower in the maximum aggregate principal amount of up to Cdn. \$2,000,000 or the US Dollar Equivalent Amount (the "Maximum Amount").
7. **Availment Options:** The DIP Facility is available by way of:

- (a) Canadian Dollar loans ("Prime Loans");
- (b) US Dollar loans ("USBR Loans"); and
- (c) Letters of Credit in Canadian Dollars (or, to the extent permitted by the Lender, US Dollars), in an aggregate amount not exceeding, without the Lender's consent, \$100,000.

Each use of the DIP Facility by way of any of the foregoing methods is referred to as a "Borrowing". Notwithstanding any other provision of this Agreement, the Lender shall not be obligated to make any advance or issue any Letter of Credit (and the Borrower shall not request any Borrowing to be made) to the extent that, after giving effect to any Borrowing requested, the aggregate amount (expressed in Canadian Dollars) of all indebtedness and liability owing by the Borrower under the DIP Facility would exceed the Aggregate DIP Commitment in effect at such time. Because the DIP Facility is available in Canadian Dollars and in US Dollars, the amount outstanding under the DIP Facility shall for the purposes hereof be determined in Canadian Dollars. The Lender shall not be obligated to issue any Letter of Credit unless such Letter of Credit is satisfactory to the Lender.

8. **Purpose:** The proceeds of the DIP Facility shall, subject to the provisions of this Agreement, be used for funding, in accordance with the Cash Flow Projections, the ordinary course operations of the Borrower and the other Applicants during the CCAA Proceedings and the Applicants' out-of-pocket costs incurred in connection with the CCAA Proceedings, and for such other purposes as may be agreed to by the Lender in writing. All loan advances shall be made to the Borrower and the Borrower may, subject to the provisions of the Initial Order, use such advances to lend to the other Applicants amounts required by them for the foregoing purposes.

9. **Interest and Fees:** The following annual interest rates and the following fees apply to the DIP Facility:

(a) Interest Rates:

Prime Loans -	Prime + 5% per annum
USBR Loans -	US Base Rate + 5% per annum

Letter of Credit Fee - 2% per annum of the face amount of each Letter of Credit issued by the Lender based on the term of such Letter of Credit, payable in advance.

- (b) Prime Loans and USBR Loans: The Borrower shall, for value on the last Business Day of each month, pay to the Lender in Canadian Dollars interest on each Prime Loan and in US Dollars interest on each USBR Loan, calculated monthly in arrears on the last Business Day of each month at the applicable rate set out above. Such interest shall accrue daily on the actual number of days elapsed and based on a year of 365 or 366 days, as applicable. Each change in the

rate of interest applicable to any Prime Loan or USBR Loan shall be effective as of the opening of business on the day such change occurs.

- (c) Interest Act Disclosure: The annual rate of interest or fees to which a rate calculated in accordance with the foregoing paragraphs of this Section 9 is equivalent, is the rate so calculated multiplied by the actual number of days in the calendar year and divided by 365 or 366, as applicable.
- (d) Commitment Fee: The Borrower shall pay to the Lender on the date of the first advance of the DIP Facility a commitment fee in an amount equivalent to 4% of the Maximum Amount.
- (e) Monitoring Fee: The Borrower shall pay to the Lender a monitoring fee of \$2,500 per month on the date of the first advance of the DIP Facility and on the first Business Day of each month thereafter.

Interest and fees payable hereunder shall be payable both before and after any or all of demand, maturity, default and judgment.

- 10. Overdue Payments: Any overdue payment in Canadian Dollars shall be deemed to be a Prime Loan with interest payable at an annual rate equivalent to Prime + 7% per annum, such interest to be payable monthly in arrears on the last Business Day of each month. Any overdue payment in US Dollars shall be deemed to be a USBR Loan with interest payable at an annual rate equivalent to USBR + 7% per annum, such interest to be calculated and payable monthly in arrears on the last Business Day of each month. Upon the occurrence and during the continuation of an Event of Default, interest payable on Prime Loans shall be at an annual rate equivalent to Prime + 7% per annum and interest payable on USBR Loans shall be at an annual rate equivalent to US Base Rate + 7% per annum, such interest to be calculated and payable monthly in arrears on the last Business Day of each month. All interest payable under this Agreement shall be payable both before and after any of demand, maturity, default and judgment.
- 11. Maturity: All amounts owing by the Borrower to the Lender in connection with this Agreement shall be paid by the Borrower to the Lender in full on the Termination Date. The "Termination Date" shall be the earliest of:
 - (a) fifteen days following the receipt by the Lender of written notice by the Borrower of termination of the DIP Facility;
 - (b) the date of issuance of a written demand by the Lender for repayment of the principal amount of the DIP Facility;
 - (c) the implementation date of any plan of compromise or arrangement under the CCAA Proceedings;
 - (d) the date on which the judicial stay imposed by the Initial Order is lifted unless the Lender consents thereto;

(e) the sale of all or substantially all of the assets of the Borrower or of any other Applicant; or

(f) November 15, 2008 or such later date as the parties may agree in writing.

12. **Exchange Rate:** If, due to exchange rate changes, the amount of Borrowings outstanding under the DIP Facility, when converted to Canadian Dollars, exceeds the amount available under the DIP Facility at any time, the Borrower shall forthwith repay, outstanding Borrowings to the extent of such excess.

13. **Evidence of Indebtedness:** The Lender shall open and maintain accounts and records evidencing the Borrowings by the Borrower under and in connection with this Agreement. All loan advances made by the Lender under the DIP Facility shall be credited to the applicable bank account of the Borrower maintained with the Lender. The Lender shall record the principal amount of such Borrowings, the payment of principal and interest, and all other amounts becoming due to the Lender. The Lender's accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence of the amount of the indebtedness owing by the Borrower to Lender under and in connection with this Agreement. The Borrower authorizes and directs the Lender to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable by the Borrower to the Lender hereunder including, but not limited to, on account of principal, interest, fees or any other charges payable by the Borrower. This provision shall be construed as a separate contract between the parties, independent of all other provisions of this Agreement and shall remain in full force and effect notwithstanding that this Agreement shall have otherwise ceased to have any force or effect.

14. **Increased Costs:** The Borrower shall reimburse or compensate the Lender for any increase in cost to the Lender or any reduction in income or effective return to the Lender in respect of the DIP Facility or the Documents, resulting from an imposition of or change in any condition or requirement (whether or not having the force of law) of any government, governmental agency or body, tribunal or regulatory authority including, without limitation, an imposition of or change in any tax payable by the Lender (other than a tax on the overall net income of the Lender) or any reserve, liquidity, cash margin, special deposit or capital adequacy or additional capital requirement applicable to the Lender. If and whenever at any time or from time to time the Lender determines that it is entitled to be reimbursed or compensated hereunder, the Lender will so notify the Borrower and will provide to the Borrower a statement in writing setting forth the amount of such compensation or reimbursement and the calculation thereof (which may include the use of reasonable averages and allocations) which shall be, in the absence of manifest error, conclusive evidence of the amount of such reimbursement or compensation required to be paid hereunder.

15. **Representations and Warranties:** The Borrower for itself and on behalf of each Guarantor, as applicable, represents and warrants to the Lender, which representations and warranties are repeated, *mutatis mutandis*, with each Borrowing, that:

- (a) it (i) is a duly organized and validly existing corporation under the laws of the jurisdiction of its incorporation or amalgamation, (ii) has the power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage, and (iii) is duly qualified as a foreign corporation or an extra-provincial corporation, and is in good standing in each jurisdiction where the ownership, leasing or operation of its property or the conduct of its business requires such qualification;
- (b) it has the corporate power to execute and deliver each Document and to perform its obligations under each Document and it has taken all necessary corporate action to authorize the execution, delivery and performance by it of each of such Documents. It has duly executed and delivered each of the Documents, and each Document constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, moratorium or similar laws of general application affecting creditors' rights generally, (ii) the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and (iii) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;
- (c) neither the execution, delivery or performance by it of the Documents, nor compliance by it with the provisions thereof, (i) will contravene any applicable law or (ii) will violate any provision of its constating documents;
- (d) all factual information heretofore or contemporaneously furnished by or on behalf of it in writing to the Lender (including, without limitation, all information contained in the Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein, is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided;
- (e) it has no subsidiaries other than those shown on Schedule "B" and each of such subsidiaries is wholly owned by its corporate parent shown in Schedule "B";
- (f) to the best of its knowledge without undertaking any environmental investigations, it is in compliance, in all material respects, with all applicable law, including all environmental laws and regulations, and it has not received from any governmental authority notice of any non-compliance with any environmental law or regulation;
- (g) it maintains insurance on its properties and assets and for the operation of its businesses in such amounts and against such risks as would be customarily obtained and maintained by a prudent owner of similar properties and assets operating a similar business, including appropriate liability insurance, business interruption insurance and third party liability insurance and all premiums and other sums of money payable for that purpose have been paid;

- (h) all of the tangible Collateral of each Person listed in Schedule "C" is located at the locations identified in Schedule "C" or is in transit to or from such locations;
- (i) each of the following is a wholly-owned subsidiary of Winmach Canada Ltd. and does not carry on business or have any material assets:
 - (i) Southern Wire Products Limited;
 - (ii) St. Clair Forms Inc.; and
 - (iii) Centroy Assembly Ltd.; and
- (j) all representations and warranties made by it in the Documents other than this Agreement are true and correct in all material respects as of the time as of which such representations and warranties were made.

16. **Positive Covenants:** The Borrower agrees with the Lender that it will, and it will cause each of the Guarantors, as applicable, to:

- (a) pay all sums of money when due under or in connection with this Agreement or any of the Documents;
- (b) maintain its corporate existence and status;
- (c) provide the Lender with the following:
 - (i) by August 12, 2008, the Applicants' Cash Flow Projections and a budget, in each case, for the period commencing August 1, 2008 to October 31, 2008;
 - (ii) weekly, on Tuesday of each week a report by the Borrower on a consolidated basis with respect to the then immediately preceding week containing:
 - A. a report of the actual amounts referred to in the Cash Flow Projections and estimated margin projections (based on the margins referred to in the Senior Credit Agreement);
 - B. revised Cash Flow Projections (amended to reflect all Accommodation Agreements then obtained), revised estimated margin projections and a revised projected consolidated balance sheet and revised projected consolidated income statement with respect to the Borrower and the Guarantors, if appropriate or if required by the Lender;
 - C. a detailed variance analysis describing and explaining all material differences between actual performance and such projections previously delivered;

D. a status report with respect to all transactions with the Borrower's customers pursuant to the Accommodation Agreements; and

E. a status report with respect to the Applicants' restructuring efforts and the marketing and sales process approved by the Initial Order and with respect to the sale of the Applicants' assets,

certified by the Borrower to be complete and accurate and certified by the Monitor to be reasonable based on the Monitor's review of such report and documents and the Applicants' financial information and discussions with the Applicants;

- (iii) monthly, within 30 days after each financial month end of the Borrower, a detailed list of aged accounts receivable (segregating any insured and uninsured receivables) and payables of the Borrower and of each Guarantor, an inventory report by the Borrower in respect of the inventory of the Borrower and of each Guarantor, a prior claims declaration signed by the Borrower and confirming that all EDC guarantee fees (to the extent payable) and insurance premiums have been paid to date;
 - (iv) to the extent required by the Lender, all other information and reports required by the Senior Credit Agreement;
 - (v) a copy of any notice that it is required to give to any Person (including, without limitation, any landlord) pursuant to any CCAA Order at the same time any such notice is required to be given to such Person;
 - (vi) a copy of all applications, motions, pleadings, judicial information, financial information and other documents filed by or on behalf of the Applicants or the Monitor with the Court and such other reports and information respecting the business, financial condition or prospects of any Applicant as the Lender may, from time to time, reasonably request;
 - (vii) advance notice, explanations and copies of draft court documents in respect of any application, motion or other contemplated actions or steps made or taken by the Applicants in the CCAA Proceedings; and
 - (viii) such other information and reports as the Lender may request from time to time;
- (d) notify the Lender promptly of any change in the representation or information provided under Section 15(e) or (h);
 - (e) give the Lender prompt notice of any Default or Event of Default;
 - (f) insure and keep insured all properties customarily insured by companies carrying on a similar business in similar locations, or owning or operating similar

properties, against all risks, including but not limited to business interruption insurance;

- (g) file all material income tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) which are or will become due and payable and to provide adequate reserves for the payment of any tax the payment of which is being contested;
- (h) cause its properties and assets to be maintained and operated in good working condition in accordance with industry practice, and permit the Lender or its agents and advisors to enter on and inspect each of its assets and properties, including all manufacturing and warehousing facilities as the Lender may require. For greater certainty, the Borrower shall provide and shall cause each Guarantor to provide the Lender and its Agents and advisors during normal business hours with free and unfettered access to the Borrower's and such Guarantor's facilities, management, advisors, personnel and accountants, together with copies of all documents that the Lender may request, including business plans, financial statements (actual and pro forma), books, records and other documents;
- (i) comply, in all material respects, with all applicable laws and all government approvals required in respect of its business, properties, assets, or any activities or operations carried out thereon, including health, safety and employment standards, labour codes and environmental laws;
- (j) deliver to the Lender on or before September 3, 2008 the Accommodation Agreements and the Applicants' report of their restructuring efforts to that date;
- (k) at the Lender's request from time to time use its commercially reasonable efforts to negotiate and enter into agreements, in form and substance satisfactory to the Lender, with the Borrower's customers (other than those which have then signed an Accommodation Agreement) providing for *inter alia* the acknowledgement of amounts owing, the payment of receivables, agreement not to assert set-offs and other matters required by the Lender; and
- (l) terminate, on or before the Termination Date, any foreign exchange forward contracts with the Lender.

17. **Negative Covenants:** The Borrower shall not, without the Lender's prior written consent, and shall not permit any Guarantor to, without the Lender's prior written consent:

- (a) make any disbursement (including any loan to any other Applicant) unless it is approved in advance by the Monitor;
- (b) make any capital expenditures except those required for the purpose of maintaining plant and equipment;

- (c) pay any indebtedness or liabilities which arose prior to the issue of the Initial Order except to the extent required by the Initial Order or any subsequent CCAA Order;
- (d) do anything which adversely affects the ranking of its Obligations to the Lender hereunder (other than the granting of Permitted Priority Liens) or its obligations to the Lender under the Senior Credit Agreement (other than the granting of Permitted Liens);
- (e) grant, create, assume or suffer to exist any Lien (other than Permitted Liens) affecting any of its properties, assets or rights;
- (f) sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, other than in the ordinary course of its business;
- (g) issue any additional shares from treasury or to cause any of its subsidiaries to issue any shares from their respective treasuries;
- (h) change its name, re-organize, liquidate, dissolve or merge, amalgamate or consolidate with any other Person;
- (i) enter into any sale and leaseback transaction;
- (j) subject to subsection (a), make or grant any loan to, investment in or guarantee of any Person;
- (k) pay to any director, officer or employee of the Borrower or a Guarantor any amount except for amounts payable in the ordinary course at the rate and in the same amount as was paid prior to issuance of the Initial Order;
- (l) enter into any management agreements, service agreements or other transactions with affiliates or their officers, directors or employees; or
- (m) pay, approve for payment or take steps to cause the payment of any dividends, other distributions to equity holders, payments in respect of subordinated debt, payment of management fees to affiliates or share redemptions.

18. **Events of Default:** The occurrence of any one or more of the following events shall constitute an Event of Default:

- (a) the non-payment when due of principal, interest, fees, or any other amount owing under this Agreement or any of the Documents;
- (b) the breach by the Borrower or any Guarantor of any of its obligations or covenants under this Agreement or any of the Documents;
- (c) if any representation or warranty made herein or in any Document, agreement or certificate delivered pursuant hereto is false or inaccurate in any material respect;

- (d) the filing of a notice of motion for leave to appeal or notice of appeal in respect of the Initial Order;
- (e) the appointment of a receiver, interim receiver, receiver and manager, liquidator, administrator, assignee, custodian, sequestrator, or trustee in bankruptcy of the Borrower or any Guarantor;
- (f) the termination of the CCAA Proceedings, the termination of the stay issued thereunder or the granting of relief from such stay in favour of any Person except as agreed by the Lender;
- (g) a Court order is made, a liability arises or an event occurs that will, in the Lender's sole and absolute judgment, materially further impair the Borrower's or any Guarantor's financial condition, operations, or ability to comply with its obligations under this Agreement, the Documents or any CCAA Order (an "Adverse Event");
- (h) any violation or breach of any provision of any CCAA Order;
- (i) a material adverse change occurs after the issuance of the Initial Order in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower or any of the Guarantors;
- (j) any order of the Court (whether or not relating to the DIP Facility or the Senior Credit Facility) is made which, in the Lender's judgment, prejudices in any manner the Lender's position or, without limiting the generality of the foregoing, any order of the Court is made, which could, in the Lender's judgment, adversely affect the DIP Facility or the Senior Credit Facility or the Lender's rights, remedies, Liens, priorities, benefits or protections under any or all of any Court order, the DIP Facility, the Senior Credit Facility or any security held by the Lender;
- (k) any event of default occurs under any agreement by an Applicant with a creditor where such creditor was granted status as an unaffected creditor in any such plan or in the CCAA Proceedings;
- (l) any Lien in favour of any creditor of an Applicant is enforced against any material asset or property of the Applicant; or
- (m) the Lender does not receive, on or before the applicable date referred to in section 23, any report or document referred to in section 23, with the Monitor's comments and certification with respect thereto referred to in section 23.

19. **Remedies:** Upon the occurrence of a Default, the Lender may, on notice to the Borrower, cease making any advances under the DIP Facility. Upon the occurrence of an Event of Default, the Lender may, by notice to the Borrower, do any one or more of the following: (i) declare that the commitment under the DIP Facility has expired and that the Lender's obligation to make any advances or other Borrowing has terminated whereupon

the Lender's obligation to make any advances or other Borrowing shall terminate; (ii) declare the entire amount of the Obligations to be immediately due and payable, without the necessity of presentment for payment, notice of non-payment or notice of protest (all of which are hereby expressly waived), whereupon all Obligations shall become due and payable by the Borrower; (iii) set off or combine any amounts then owing by the Lender to one or more of the Borrower or the Guarantors against the obligations of any or all of the Borrower and the Guarantors to the Lender; (iv) subject to applicable provisions of the CCAA Orders, exercise any and all rights and remedies hereunder or under any other Document, the Senior Credit Agreement or any security delivered in connection with the Senior Credit Agreement; (v) apply to the Court for an order for the appointment of a receiver, receiver and manager, interim receiver or interim receiver and manager of all or a portion of the Collateral either on a "shut down" liquidation basis or on a going concern basis, in the sole and unfettered discretion of the Lender; or (vi) apply to the Court for an order, on terms satisfactory to the Monitor and the Lender, providing the Monitor with the power, in the name of and on behalf of the Applicants, to take all necessary steps in the CCAA Proceedings.

20. **Security:** To secure all existing and future obligations of the Applicants under or in connection with the DIP Facility, the Lender will, through and effective upon the granting of the Initial Order, be granted and receive a fully perfected first priority security interest (the "DIP Charge") subordinate only to the Permitted Priority Liens in all of the existing and after-acquired real and personal, tangible and intangible, property of the Applicants (and of any of them) including, without limitation, all their respective cash, cash equivalents, bank accounts, accounts, chattel paper, contract rights, inventory, instruments, documents, securities (whether or not marketable), equipment, fixtures, real property interests, patents, tradenames, trademarks, copyrights, industrial designs, intangibles, commercial tort claims, causes of action, the issued and outstanding capital stock of each subsidiary and affiliate of each Applicant and all substitutions, accessions and proceeds of all of the foregoing, wherever located, including insurance or other proceeds. In addition, the Borrower shall cause each Guarantor to deliver to the Lender, in form and substance satisfactory to the Lender, a guarantee of payment and performance of all Obligations and all security agreements, debentures, delivery agreements and other security required by the Lender to provide to the Lender a fully perfected first priority security interest in, and charge of all its existing and after-acquired assets and undertaking subject only to any applicable Permitted Priority Liens. The Borrower shall cause to be delivered to the Lender all officers' certificates, directors' resolutions, certificates, legal opinions and other documents required by the Lender with respect thereto with respect to all Guarantors which are not Applicants.
21. **Permitted Liens:** All Collateral shall at all times be free and clear of all Liens except for Permitted Liens.
22. **Priority of DIP Charge and Permitted Priority Liens:** The DIP Charge shall rank as a first charge of all Collateral of the Applicants in priority to all other Liens except for Permitted Priority Liens.

23. **Monitor:** The Applicants shall request the Monitor to review each report and document referred to in subsection 16(c)(i), to provide to the Lender, no later than the first Business Day of each week in respect of the then previous week, its comments thereon and to certify that, based on its review of such report and documents and the Applicants' financial information and its discussions with the Applicants, the contents of such report and documents are reasonable.
24. **Conditions Precedent to Initial Borrowing:** The Lender shall have no obligation to advance any amount until satisfaction of the following conditions precedent:
- (a) the Initial Order shall have been made by the Court and shall be satisfactory to the Lender in its sole and unfettered discretion and, without limiting the generality of the foregoing, shall include the following provisions:
 - (i) approval of the DIP Facility and this Agreement;
 - (ii) creation of the DIP Charge subject only to Permitted Priority Liens;
 - (iii) the Lender (in respect of the DIP Facility and in respect of the Senior Credit Agreement) shall be treated as an "unaffected creditor" in the CCAA Proceedings and in any plan of compromise, arrangement or reorganization filed pursuant thereto (except that, for greater certainty the Lender shall be subject to the stay contained in the Initial Order); and
 - (iv) all claims against the Applicants of every nature and kind whatsoever shall be stayed by the Initial Order, except to the extent expressly agreed by the Lender;
 - (b) receipt by the Lender of this Agreement and all other Documents duly executed by all of the parties thereto;
 - (c) receipt by the Lender of timely notice as may be required by any provision of this Agreement in connection with any action to be taken hereunder;
 - (d) receipt by the Lender of such other documents and information as it may reasonably request (including, without limitation, prior to the issue of any Letter of Credit as part of the DIP Facility, an application and indemnity agreement by the Borrower, in form and substance satisfactory to the Lender, in respect of such Letter of Credit);
 - (e) all fees payable in accordance with this Agreement shall have been paid to the Lender; and
 - (f) no material adverse change in the financial condition, ownership, operation or prospects of the Borrower or of any Guarantor shall have occurred after the date of the issue of the Initial Order.

25. **Conditions Precedent to All Borrowings:** The obligation of the Lender to make available any Borrowing (including any subsequent Borrowing after the conditions in section 24 have been satisfied) is subject to and conditional on each of the conditions below being satisfied on or before the applicable Borrowing Date:
- (a) the Borrower shall have provided any notice required in respect of the Borrowing;
 - (b) the actual amount of the total disbursements made by the Applicants during any week after the issue of the Initial Order is not greater than 110% of the projected amount of the total disbursements shown for such week on the Cash Flow Projections;
 - (c) the representations and warranties contained in section 15 shall be true and correct on each Borrowing Date, as if made on that date;
 - (d) to the extent required by the Lender, receipt by the Lender of an agreement by EDC, in form and substance satisfactory to the Lender, with respect to EDC guarantees of insurance provided to the Borrower;
 - (e) all orders of the Court, including the Initial Order, all other orders in connection with the CCAA Proceedings and all motions initiated by the Applicants thereunder and relating thereto, shall be in form and substance satisfactory to the Lender and, without limiting the foregoing, no amendment of or modification to the provisions of the Initial Order or any such other order shall have been made without the prior approval of the Lender. The Applicants shall have given the Lender advance notice of any contemplated motions and shall have obtained the consent and approval of the Lender to any such motions in advance;
 - (f) no demand by the Lender for repayment of the DIP Facility shall have been made;
 - (g) no Default or Event of Default shall exist;
 - (h) the Termination Date has not occurred;
 - (i) if requested by the Lender, receipt by the Lender of an agreement, in form and substance satisfactory to the Lender, between the Borrower and the Lender amending the Senior Credit Agreement to *inter alia* acknowledge the amount of the indebtedness owing by the Borrower to the Lender, acknowledge the occurrence of defaults, fix the Applicable Margin (as defined therein), terminate the Lender's obligation to make any further advance thereunder and, on their respective maturities, convert all Cost of Funds Loans and bankers' acceptances thereunder to Canadian Prime-Rate Loans (as defined therein);
 - (j) if required by the Bank, receipt by the Lender of a certificate of each Guarantor dated currently certifying that its constating documents and the by-laws, which shall be attached thereto, are complete and correct copies and are in full force and effect, and that all resolutions and all other authorizations necessary to authorize the execution and delivery of and the performance by it of its obligations under

this Agreement and the other Documents to which it is a party and all the transactions contemplated thereby have been obtained; and

- (k) if required by the Bank, receipt by the Lender of opinions of counsel to each Guarantor, addressed to the Lender and counsel to the Lender with respect to, *inter alia*, the existence of such Guarantor and the due authorization, execution, delivery and enforceability of the Documents executed by such Guarantor.
26. **Waiver of a Condition Precedent:** The conditions referred to in sections 24 and 25 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part, with or without terms or conditions, in respect of all or any portion of the Borrowings, without affecting the right of the Lender to assert terms and conditions in whole or in part in respect of any other Borrowings.
27. **Letter of Credit Notice Requirements:** The Borrower shall deliver to the Lender, at least two Business Days before the issue of any Letter of Credit, a written request for such Letter of Credit and all information required by the Lender with respect thereto.
28. **Letters of Credit Indemnity:** The Borrower shall pay to, indemnify and save harmless the Lender from and against any and all amounts, liabilities and expenses paid, incurred or suffered by the Lender pursuant to or as a result of the issue of a Letter of Credit or any draw or draws made under such Letter of Credit, and such liability and obligations of the Borrower shall be unconditional and irrevocable regardless of any claim, set-off, defence or other right which the Borrower may have at any time against a beneficiary or a transferee of any Letter of Credit.
29. **General Indemnity and Limitation of Liability:** Regardless of whether any principal amount of the DIP Facility is advanced, the Borrower agrees to indemnify and hold the Lender, its affiliates, and the directors, officers, employees, and representatives of any of them (each, an "Indemnified Person"), harmless from and against all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including, but not limited to, legal costs) of any kind which may be incurred by, or asserted against, any such person in connection with, or arising out of, this Agreement, any of the Documents, the DIP Facility, or any commitment relating thereto, any other related financing, documentation, disputes or environmental liabilities, or any related investigation, litigation, or proceeding. Under no circumstances shall the Lender or any of its affiliates be liable for any punitive, exemplary, consequential or indirect damages which may be alleged to result in connection with this Agreement, the DIP Facility, or any commitment relating thereto, any document related thereto, or any other financing, regardless of whether any principal amount of the DIP Facility is advanced.
30. **Whole Agreement:** This Agreement, the Documents and any agreements delivered pursuant to or referenced herein and therein, constitute the whole and entire agreement among the parties. No amendment or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the parties hereto.

31. **Expenses:** All fees (including, but not limited to, all fees of the Lender's counsel on a solicitor and client basis), costs and expenses incurred by the Lender in connection with the preparation, negotiation, documentation and enforcement of the DIP Facility, this Agreement and Documents are for the account of and shall be paid by the Borrower on demand by the Lender for payment. Regardless of whether any amount of the DIP Facility is advanced, the Borrower agrees to pay to the Lender, on demand by the Lender, all out-of-pocket expenses (including all legal, and consulting fees and expenses) incurred by the Lender in connection with the Borrower, the DIP Facility, this Agreement or the Documents and whether or not incurred before, on or after the date of the Initial Order.
32. **Currency Conversion:** If, for the purpose of obtaining judgment in any court, determining the amount outstanding under any of the Documents or for any other purpose, it is necessary to convert an amount in one currency (the "Original Currency") to another currency (the "Second Currency"), the Equivalent Amount of the Second Currency shall be used. If the conversion relates to a judgment, the conversion shall be performed as of the date two Business Days preceding that on which judgment is given. For all other purposes, the conversion shall be performed as of the date and time of determination. The Borrower agrees that any obligations in respect of any Original Currency due from it to the Lender shall, notwithstanding any judgment or payment in any Second Currency, be discharged only to the extent that, on the Business Day following receipt of any sum so paid or adjudged to be due in the Second Currency, the Lender may, in accordance with its normal banking procedures, purchase, in the Toronto foreign exchange market, the Original Currency with the amount of the Second Currency so paid or so adjudged to be due; and if the amount of the Original Currency so purchased is less than the amount of the Original Currency due to the Lender, the Borrower agrees, as a separate obligation and notwithstanding any such payment or judgment, to pay the Lender the amount of the Second Currency required to purchase the amount of the Original Currency necessary to make up such difference on such date together with interest (at Prime per annum) and expenses (including legal fees on a solicitor and client basis) from such date to the date of payment.
33. **No Further Extensions of Credit:** The Borrower shall not be entitled to any extension of credit under the Senior Credit Facility on or after August 1, 2008 and 383301 Ontario Limited shall not be entitled to any extension of credit on or after August 1, 2008.
34. **Assignment and Participation:** This Agreement shall be binding on and enure to the benefit of the Lender and the Borrower and their respective successors and permitted assigns. The Lender may syndicate, sell, assign, transfer or participate its rights, benefits and obligations under the Documents to any other Person (the "Assignee"). After any such syndication, sale, assignment, transfer or participation, the term "Lender" as used in this Agreement shall be deemed to include or be, as applicable, the Assignee to the extent of its interest.
35. **References.** Time shall be of the essence in all provisions of this Agreement. Unless otherwise expressly provided, all accounting terms used in this Agreement shall be interpreted, all financial information shall be prepared and all financial calculations shall

be made in accordance with GAAP, consistently applied. The division of this Agreement into sections, the insertion of headings and the provision of any table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. Unless otherwise specified, references in this Agreement to Sections and Schedules are to sections, and schedules of this Agreement.

36. **Severability:** If any provision of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction and it shall not invalidate, affect or impair any of the remaining provisions of this Agreement. This Agreement and the Documents may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute, as applicable, one and the same instrument.
37. **Governing Law and Attornment:** This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario and of Canada applicable therein and the parties attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

WINDSOR MACHINE & STAMPING LIMITED

By: _____

Name: _____

Title: _____

Lionel J. Peltier
President

By: _____

Name: _____

Title: _____

BANK OF MONTREAL

By: _____
Name: A.N. GONDWE
Title: SR. ACCT MGR

By: J Elliott-Boyd
Name: JELLIOTT-BOYD
Title: SR. ACCT MGR

TO: BANK OF MONTREAL

AGREEMENT BY GUARANTORS

Each of the undersigned Guarantors consents to the foregoing and agrees to deliver to the Lender all guarantees, security and other documents to be provided by it pursuant to the foregoing agreement.

DATED as of the 5th day of August, 2008.

LIPEL INVESTMENTS LTD.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

WMSL HOLDINGS LTD.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BANK OF MONTREAL

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TO: **BANK OF MONTREAL**

AGREEMENT BY GUARANTORS

Each of the undersigned Guarantors consents to the foregoing and agrees to deliver to the Lender all guarantees, security and other documents to be provided by it pursuant to the foregoing agreement.

DATED as of the 5th day of August, 2008.

LPEL INVESTMENTS LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

WMSL HOLDINGS LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

442260 ONTARIO LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

WINMACH CANADA LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

PRODUCTION MACHINE SERVICES LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

538185 ONTARIO LTD. (ELLIS TOOL)

By: _____
Name: *Lionel Peltier*
Title: *President*

By: _____
Name: _____
Title: _____

SOUTHERN WIRE PRODUCTS LIMITED

By: _____
Name: _____
Title: *Lionel Peltier*
President

By: _____
Name: _____
Title: _____

PELLUS MANUFACTURING LTD.

By: _____
Name: _____
Title: *Lionel Peltier*
President

By: _____
Name: _____
Title: _____

TILBURY ASSEMBLY LTD.

By: _____
Name: _____
Title: *Lionel Peltier*
President

By: _____
Name: _____
Title: _____

ST. CLAIR FORMS INC.

By: _____
Name: _____
Title: *Lionel Peltier*
President

By: _____
Name: _____
Title: _____

CENTROY ASSEMBLY LTD.

By: _____
Name: *Lionel Peltier*
Title: *President*
By: _____
Name: _____
Title: _____

PIONEER POLYMERS INC.

By: _____
Name: *Lionel Peltier*
Title: *President*
By: _____
Name: _____
Title: _____

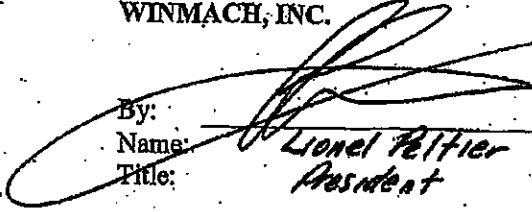
G&R COLD FORGING INC.

By: _____
Name: *Lionel Peltier*
Title: *President*
By: _____
Name: _____
Title: _____

WINDSOR MACHINE DE MEXICO

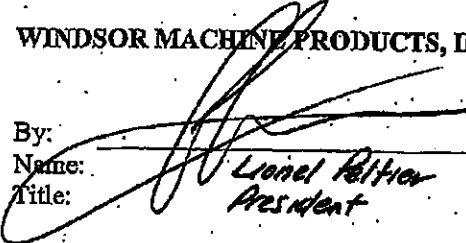
By: _____
Name: *Lionel Peltier*
Title: *President*
By: _____
Name: _____
Title: _____

WINMACH, INC.

By: 
Name: Lionel Peltier
Title: President

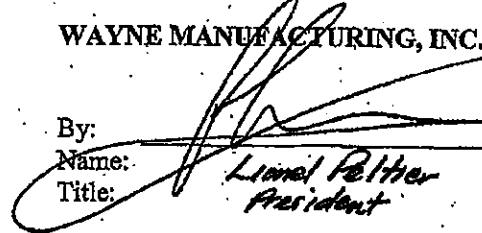
By: _____
Name: _____
Title: _____

WINDSOR MACHINE PRODUCTS, INC.

By: 
Name: Lionel Peltier
Title: President

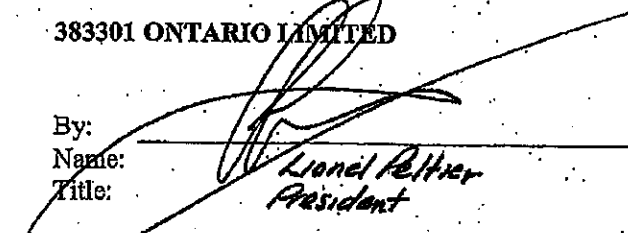
By: _____
Name: _____
Title: _____

WAYNE MANUFACTURING, INC.

By: 
Name: Lionel Peltier
Title: President

By: _____
Name: _____
Title: _____

383301 ONTARIO LIMITED

By: 
Name: Lionel Peltier
Title: President

By: _____
Name: _____
Title: _____

SCHEDULE "A"

DEFINITIONS

"**Accommodation Agreement Date**" means the date on which the Lender receives copies of the fully executed Accommodation Agreements in form and substance satisfactory to the Lender and such Accommodation Agreements have been approved by the Court.

"**Accommodation Agreements**" means agreements among the Borrower, the Lender, and each of Ford Motor Company, Lear Corporation, Magna Group, Flexible Rubber Products Inc. and JCI-Johnson Controls (and their applicable affiliates), respectively, with respect to *inter alia*: the continuing supply of tooling and inventory by the Borrower to them, the payment by them of amounts owing by them to the Borrower, restrictions on set-offs which may be claimed by them and such other matters as may be required by the Lender.

"**Adverse Event**" has the meaning assigned to it by subsection 18(g).

"**Aggregate DIP Commitment**" means:

- (a) prior to the Accommodation Agreement Date, Cdn. \$1,000,000; or
- (b) on and after the Accommodation Agreement Date, Cdn. \$2,000,000;

subject to any reductions effected from time to time pursuant to this Agreement.

"**BA Rate**" means the rate per annum quoted from time to time by the Lender as being its reference rate then in effect for determining the bankers' acceptance discount rate and fees payable to the Lender with respect to Canadian Dollar denominated bills of exchange accepted by the Lender.

"**Borrowing Date**" means the date on which a Borrowing is made.

"**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday in Ontario, on which the Lender is open for normal banking business.

"**CCAA**" means the Companies' Creditors Arrangement Act (Canada).

"**CCAA Order**" means any order made by the Court in the CCAA Proceedings.

"**CCAA Proceedings**" means the proceedings before the Court initiated by the Applicants under the CCAA.

"**Canadian Dollars**" and the symbols "Cdn\$" and "\$" each means lawful money of Canada.

"**Cash Flow Projections**" mean the cash flow projections of the Applicants and any amendments thereto provided the Lender consents to such amendments in writing.

"**Collateral**" means all existing and after-acquired assets and undertaking of the Borrower and of any of the Guarantors.

"Court" means the Ontario Superior Court of Justice (Commercial List) sitting at Toronto, Ontario.

"Default" means an event, circumstance or omission which is an Event of Default or which, with any or all of the giving of notice, lapse of time, or a failure to remedy the event, circumstance, or omission within a period of time, would be an Event of Default.

"DIP Charge" has the meaning assigned to it by section 20.

"Documents" mean this Agreement and all guarantees, security agreements, other agreements, certificates, instruments and other documents delivered, or to be delivered, to the Lender under or in connection with this Agreement and, when used in relation to any Person, "Documents" means the Documents executed and delivered by such Person.

"Estimated Margin Projections" mean the estimated margin projections of the Applicants and any amendments thereto provided the Lender consents to such amendments in writing.

"Equivalent Amount" means, with respect to any given amount of any currency on any day, the amount of any other currency required to purchase that amount of the first currency through the Lender in Toronto, Ontario in accordance with the Lender's usual procedures.

"Event of Default" means any of the events referred to in section 18.

"Federal Funds Effective Rate" means, for any day, the annual rate of interest quoted for that day in H.15(519) opposite the caption "Federal Funds (Effective)". If H.15(519) is not available for the relevant day, the Federal Funds Effective Rate shall be the annual rate of interest quoted for that day in the Composite 3:30 p.m. Quotations for US Government Securities for that day under the caption "Federal Funds Effective Rate". If neither of the foregoing quotations is available, the "Federal Funds Effective Rate" shall be the average of the quotations for that day on overnight federal funds (those words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Lender from three federal funds brokers of recognized standing selected by the Lender. For the purposes of this definition, "H.15(519)" means the weekly statistical release published by the Board of Governors for the Federal Reserve System of the United States or any successor and "Composite 3:30 p.m. Quotations for US Government Securities" means the daily statistical release published by the Federal Reserve Bank of New York or any successor.

"Initial Order" means the initial order issued by the Court ordering that the Applicants are subject to the CCAA and ordering a stay pursuant to the CCAA.

"Letters of Credit" means letters of credit issued by the Lender as part of the DIP Facility.

"Liens" mean all liens, encumbrances, security interests, charges, mortgages, pledges, assignments, title retention or any other security arrangements of every nature or kind, statutory liens, trusts, deemed trusts, interests and claims.

"Monitor" means the monitor of the Applicants appointed by the Initial Order.

"Obligations" means all present and future indebtedness, liability and obligations now or hereafter owing by the Borrower to the Lender including, without limitation, all loans, advances, (including Borrowings) and obligations for the performance of covenants, tasks or duties or for the payment of monetary amounts (whether or not performance is then required or contingent, or whether or not those amounts are liquidated or determinable) owing to the Lender under any or all of the Documents and all covenants and duties regarding those amounts, of any kind or nature, present or future, whether or not evidenced by any agreement or other instrument, owing under any or all of the Documents including all obligations owed under or in connection with the DIP Facility.

"Permitted Liens" mean Permitted Priority Liens, other Liens created by the Initial Order, and Liens existing prior to the date of the Initial Order and consented to or agreed to by the Lender in the Senior Credit Agreement or otherwise.

"Permitted Priority Liens" means and is restricted to:

- (a) an administration charge in the maximum total amount of \$750,000 to secure payment of the fees and expenses of the Monitor, the fees and expenses of the Monitor's legal counsel and the fees and expenses of the Applicants' legal counsel; and
- (d) statutory liens in respect of Collateral or an Applicant that arise by operation of law (but not as a consequence of a default by an Applicant to pay or perform an obligation) without the grant of any security interest by such Applicant and that are, by statute, given priority over the DIP Charge.

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, governmental authority or any incorporated or unincorporated entity or association of any nature.

"Prime" means, on any day, the greater of:

- (a) the annual rate of interest announced by the Lender from time to time as being its reference rate then in effect for determining interest rates on Canadian Dollar commercial loans made by the Lender in Canada; and
- (b) the rate of interest established by the Lender as its 30 day BA Rate applicable on such day plus 100 basis points.

"Senior Credit Agreement" means the Second Amended and Restated Credit Agreement dated as of July 31, 2005 between the Borrower and the Lender, as amended.

"Senior Credit Facility" means the credit facilities provided by the Lender to the Borrower pursuant to Senior Credit Agreement.

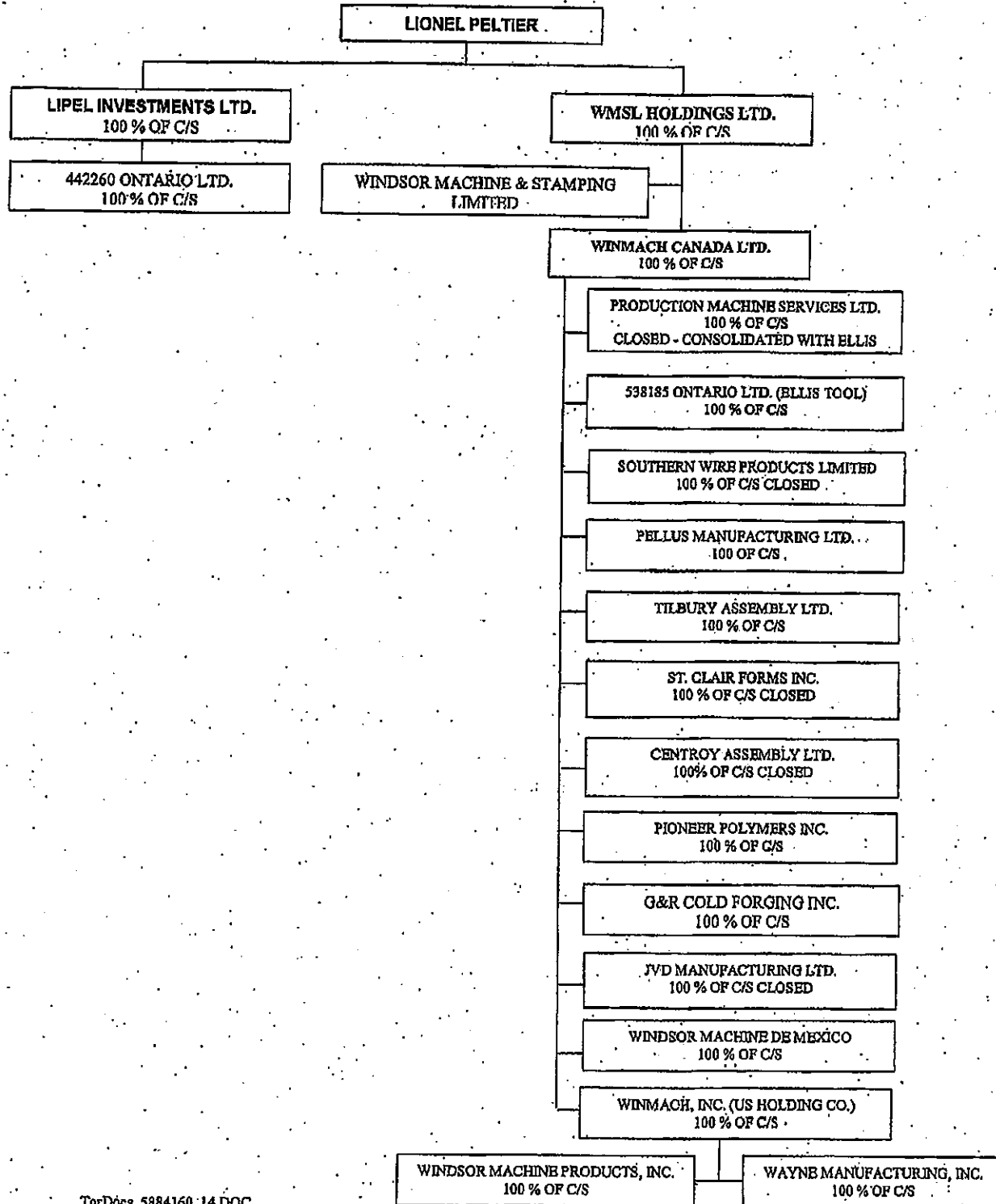
"Termination Date" has the meaning set out in section 11.

"US Base Rate" means, on any day, the greater of:

- (a) the annual rate of interest announced by the Lender from time to time as being its reference rate then in effect for determining interest rates on US Dollar commercial loans made by the Lender in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time (multiplied by 365/360 if the rate is calculated on the basis of a 360 day year) plus 100 basis points per annum.

"US Dollars" and **"US\$"** each means lawful money of the United States of America.

SCHEDULE "B"
THE APPLICANTS AND THEIR SUBSIDIARIES
WINDSOR MACHINE GROUP
CORPORATE OWNERSHIP STRUCTURE
EFFECTIVE APRIL 30, 2008



SCHEDULE "C"

LOCATIONS

<u>Name</u>	<u>Locations</u>
Windsor Machine & Stamping Limited Lipel Investments Ltd. 442260 Ontario Ltd. 383301 Ontario Ltd. WMSL Holdings Ltd. Winnach Canada Ltd.	5725 Outer Drive, Tecumseh, Ontario
538185 Ontario Ltd. (Ellis Tool) Production Machine Services Ltd.	5475 Outer Drive, Tecumseh, Ontario
Pellus Manufacturing Ltd.	7025, 7035 and 7045 Industrial Drive, Comber, Ontario
Tilburg Assembly Ltd.	147 Queen St. North, Tilbury, Ontario
G & R Cold Forging Inc.	7072 and 7084 Smith Industrial Drive, McGregor, Ontario
Windsor Machine Products, Inc. Wayne Manufacturing, Inc.	26655 Northline Road, Taylor, Michigan
Pioneer Polymers Inc.	14 Industrial Park Drive, Tilbury, Ontario
Windsor Machine de Mexico	Bld. Fundadores 7276-6 Parque Industrial Cormoran, San Jose de los Cerritos, Saltillo, Coahuila, Mexico

SCHEDULE "D"

LIST OF OTHER APPLICANTS AND GUARANTORS

Lipel Investments Ltd.

WMSL Holdings Ltd.

442260 Ontario Ltd.

Winnach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winnach, Inc.


Windsor Machine Products, Inc.

Wayne Manufacturing Inc.

383301 Ontario Limited

TAB E

This is Exhibit "E" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009


A COMMISSIONER FOR TAKING AFFIDAVITS
Gerald E. Skillings

RSM Richter

**Fifth Report of
RSM Richter Inc. Re:
Windsor Machine & Stamping Limited
and the Corporations Listed in
Schedule "A"**

**RSM Richter Inc.
Toronto, January 26, 2009**

**RSM Richter is an independent member firm of RSM International,
an affiliation of independent accounting and consulting firms.**

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9.	CONCLUSION AND RECOMMENDATION.....	10

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Appendix "A"	Amended and Restated Initial Order
Appendix "B"	Cash Flow Projection for the Period ending February 27, 2009
Appendix "C"	Ontario Security Opinions
Appendix "D"	Michigan Security Opinion
Appendix "E"	Richter Fee Affidavit Sworn January 26, 2009
Appendix "F"	Ogilvy Fee Affidavit Sworn January 23, 2009

Court File No. CV-08-7672-00CL

**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
WINDSOR MACHINE & STAMPING LIMITED
AND THE CORPORATIONS LISTED IN SCHEDULE "A"**

**FIFTH REPORT OF RSM RICHTER INC.
IN ITS CAPACITY AS MONITOR OF
WINDSOR MACHINE & STAMPING LIMITED ET AL.**

January 26, 2009

1. INTRODUCTION

This report is filed by RSM Richter Inc. ("Richter") in its capacity as monitor ("Monitor") of Windsor Machine & Stamping Limited ("WMSL") and the corporations listed in Schedule "A" (collectively, the "Company").

On August 1, 2008, WMSL, 538185 Ontario Ltd., Pellus Manufacturing Ltd. ("Pellus"), Tilbury Assembly Ltd. ("Tilbury"), G&R Cold Forging Inc. and 383301 Ontario Limited each filed a notice of intention to make a proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* ("NOI").

Pursuant to an order of the Ontario Superior Court of Justice (the "Court") made on August 6, 2008, as amended by an order of the Court made on August 12, 2008 (the "Initial Order"), and as further amended and restated by an order of the Court made on September 2, 2008 (the "Amended and Restated Initial Order"), the Company commenced

RSM Richter is an independent member firm of RSM International,
an affiliation of independent accounting and consulting firms.

proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and the NOI proceedings were stayed. The Amended and Restated Initial Order was made on the consent of Bank of Montreal (the "Bank"), the Company's senior operating lender and the lender under the Company's debtor-in-possession loan facility ("DIP Facility"). A copy of the Amended and Restated Initial Order is attached as Appendix "A".

The Company's stay of proceedings currently expires on January 31, 2009.

1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information concerning the Company and these restructuring proceedings;
- b) Provide an update regarding a transaction for the sale of the Company's assets to a new company owned, in whole or in part, by the Company's current shareholders (the "Shareholders") and to be incorporated for this purpose; and
- c) Recommend that this Honourable Court make an order:
 - Granting the Company's request for an extension of its stay of proceedings to February 27, 2009;
 - Approving the Monitor's activities as described in this Report; and
 - Approving the fees and disbursements of the Monitor and its counsel, Ogilvy Renault LLP ("Ogilvy").

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 Monitor has relied upon unaudited financial information prepared by the Company's management, 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.

2. BACKGROUND

The Company is a manufacturer and distributor of customized steel rods, rubber, foam, and assembled products, such as headrests and exhaust suspension systems, for the automotive market. The Company also designs and fabricates much of the production machinery, tools and dies required in the manufacturing and assembly of its various parts.

Additional information with respect to the Company and these proceedings is provided in the Monitor's four reports and three supplemental reports filed in these proceedings. Copies of these reports can be found on the Monitor's website at www.rsmrichter.com.

3. UPDATE RE: PROPOSED TRANSACTION

As described in the Monitor's report dated December 2, 2008 (the "Fourth Report"), the Monitor conducted a sale process for the Company's business and assets; however, no definitive offers were received by the offer deadline.

After the conclusion of the sale process, the Shareholders discussed a transaction with the Bank and EDC, to secure the financing required to purchase the business and assets of the Company (the "Transaction"). The Transaction contemplates that the assets would be purchased through companies to be incorporated for this purpose (the "Purchaser"). The Transaction is subject to financing from the Bank and EDC, major customer support (the major customers being Ford Motor Company ("Ford"), Magna Structural Systems Inc. ("Magna SSI"), Magna Seating, Inc., ("Magna Seating"), Lear Corporation ("Lear") and Johnson Controls Inc. ("JCI") (collectively, the "Customers")) and the approval of this Honourable Court.

The Company and the Monitor are of the view that absent the Transaction, the business of the Company is unlikely to continue. The Company's balance sheet, as currently structured, reflects a level of debt (both secured and unsecured) that the existing business cannot support. Accordingly, the Transaction contemplates that the senior secured debt would be restructured on a basis that is intended to assist the Purchaser to obtain the support of the Customers and to provide the business with the opportunity to remain viable in the long-term.

During November and December, 2008, the Shareholders completed a restructuring plan and underlying financial forecast that was acceptable to the Bank and EDC; however, due to the economic circumstances in the automotive sector, the plan is presently being revisited and a new forecast may be required.

In December, 2008, the Purchaser contacted the Customers to determine whether they would continue to support the business through the Transaction. The Monitor understands that the Purchaser has attended meetings with each of the Customers and has provided the Customers with a copy of the Purchaser's business plan, as well as other information

requested by the Customers. The Purchaser's negotiations with the Customers were on hold in late December and early January due to the traditional Customer shutdowns during the winter holiday period, which was extended this holiday season due to the downturn in the automotive sector. Negotiations with Customers could not resume in earnest until the required Customer representatives returned from the shutdowns.

Contemporaneous with the Company's discussions with the Customers, the Bank, EDC and the Purchaser are advancing the documentation required to complete the Transaction. The Purchaser is hopeful to close the Transaction by the end of February, 2009.

4. TRANSITION AND ACCOMMODATION AGREEMENTS

Earlier in the CCAA proceedings, the Company entered into accommodation agreements with Ford, Magna SSI, Magna Seating, Lear and JCI (the "Accommodation Agreements"). The Company entered into a transition agreement (the "Transition Agreement") with General Motors Corporation ("GM"), which sets out the terms upon which GM would transition its business to another vendor. These agreements were approved by this Honourable Court.

The Accommodation Agreements expire on January 31, 2009. The Company has requested that the Customers agree to extend the term of the Accommodation Agreements to the earlier of February 28, 2009 and the completion of the Proposed Transaction. As of the date of this Report, the Monitor understands that Ford has agreed to extend its Accommodation Agreement to the end of February, 2009, whereas the other Customers have not yet confirmed their agreements to such requested extensions. The Monitor's view is that the maintenance of the Companies' operations (shipment of component parts to customers) under the terms of these negotiated accommodation arrangements require that the Companies secure these extensions before the end of January.

The Transition Agreement was to terminate on December 31, 2008. The Company, the Bank and GM extended the term of the Transition Agreement to January 31, 2009 in order to facilitate the completion of GM's transition of its business to alternate suppliers.

5. CASH FLOW

As of the date of this Report, the Company had approximately \$5 million of cash in its account (before outstanding cheques). The Company's cash balance will be reduced by a \$2.8 million repayment to the Bank against the Bank's operating line, which was approved by the Monitor. The payment will be applied as a permanent reduction against the Company's pre-filing operating facility. The Company believes that the remaining cash in its account, together with its forecasted cash flow, will be sufficient to allow it to operate through the extension period, including funding all operating expenses and professional fees through to that date. Attached as Appendix "B" is the Company's weekly cash flow projection for the period ending February 27, 2009.

The Company has not drawn on a \$2 million DIP Facility approved by this Honourable Court in these proceedings. The DIP Facility remains available to the Company, if required.

The Company has collected approximately \$828,000 from the sale of certain of its redundant assets (including approximately \$116,000 from scrap metal sales) and approximately \$453,000 in respect of corporate income tax refunds. As requested by the Company and consented to by the Monitor, the Bank has applied these funds as a permanent reduction to the Company's term loan facilities.

To coincide with the contemplated extensions of the Accommodation Agreements, the Bank has agreed to extend the maturity date of the DIP Facility from January 31, 2009 to February 27, 2009.

5.1 Security Opinions

Earlier in these proceedings the Monitor requested that Ogilvy provide a review of the validity and enforceability of the security held by the Bank. Ogilvy has provided security opinions regarding Ontario personal property security and Ontario real property security (the "Ontario Security Opinions"). Subject to the assumptions and qualifications contained in the Ontario Security Opinions, Ogilvy is of the view that the Bank holds a validly perfected security interest in the Ontario collateral granted for the obligations owing to it. The Monitor also engaged Clark Hill PLC to provide a security opinion regarding Michigan personal property security (the "Michigan Security Opinion"). Subject to the assumptions and qualifications contained in the Michigan Security Opinion, Clark Hill PLC is of the view that the Bank holds a validly perfected security interest in the Michigan collateral granted for the obligations owing to it.

Copies of the Ontario Security Opinions dated November 13, 2008, November 24, 2008 and November 25, 2008, and the Michigan Security Opinion dated November 24, 2008, are provided in Appendices "C" and "D", respectively.

6. COMPANY'S REQUEST FOR AN EXTENSION

The Company is seeking an extension of the stay of proceedings to February 27, 2009.

The Monitor supports the Company's request for an extension of the stay of proceedings for the following reasons:

- The Company is working to maintain its operations;
- The Shareholders are working toward the Transaction, the completion of which is in the interest of the Company's stakeholders, including the Bank and EDC (subject to confirmation of the Purchaser's revised business plan), employees and continuing vendors;

- It should not prejudice any employee or creditor, as arrangements are in place to pay for post-filing services and supplies;
- The Bank and EDC, the secured economic stakeholders in these proceedings, support the extension; and
- It would allow the Purchaser the time required to complete the Transaction. Absent the extension, it is unlikely that the Transaction could be completed.

7. PROFESSIONAL FEES

The Monitor's and Ogilvy's fees from the commencement of the CCAA proceedings to October 31, 2008, were approved by this Honourable Court pursuant to an order made on December 2, 2008.

Detailed invoices in respect of the fees and disbursements of the Monitor and Ogilvy for the period from November 1, 2008 to December 31, 2008, are provided in exhibits to the affidavits of representatives of the Monitor and Ogilvy, attached as Appendices "E" and "F", respectively.

A summary of the Monitor's invoices and Ogilvy's invoices for the period November 1, 2008 to December 31, 2008 is as follows:

RSM Richter Inc.

Period	Fees ¹ (\$)	Disbursements (\$)	GST (\$)	Total (\$)
Nov.1,08-Nov.30,08	183,103.75	19,419.49	10,126.16	212,649.40
Dec.1,08-Dec.14,08	35,328.75	28.83	1,767.88	37,125.46
Dec.15,08-Dec.31,08	15,251.25	23.51	763.74	16,038.50
Total	233,683.75	19,471.83	12,657.78	265,813.36

The Monitor's average hourly rate for the referenced billing period was \$366.00.

¹ Net of discounts totalling \$15,412.50.

Ogilvy Renault LLP

Period	Fees (\$)	Disbursements (\$)	GST (\$)	Total (\$)
Nov.1,08-Nov.30,08	55,110.00	546.15	2,782.81	58,438.96
Dec.1,08-Dec.31,08	14,625.00	402.98	738.21	15,766.19
Total	69,735.00	949.13	3,521.02	74,205.15

Ogilvy's average hourly rate for the referenced billing period was \$690.45.

The Monitor has reviewed the accounts of Ogilvy and believes them to be reasonable. The rates charged by Ogilvy are consistent with the rates charged by significant law firms practicing in the area of insolvency and restructuring in Southern Ontario.

8. OVERVIEW OF THE MONITOR'S ACTIVITIES

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

- Corresponding with the Bank, including providing it with weekly cash flow variance analyses, in accordance with the terms of the DIP Facility and the Initial Order;
- Assisting the Company to prepare weekly financial projections for the period ending February 27, 2009;
- Monitoring receipts and disbursements in accordance with the provisions of the Initial Order;
- Assisting to prepare revised financial projections for the period ending February 28, 2011, reflecting the performance of the restructured operations of the Company;
- Assisting the Company with the dissemination to the Bank of financial and other information;
- Reporting to customers in accordance with the terms of the Accommodation Agreements;
- Discussing with the Company its restructuring efforts and assisting the Company in this regard;
- Assisting all parties regarding restructuring issues generally;

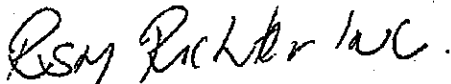
- Reviewing the Company's accounts receivable trial balance on a weekly basis and following up with the Company regarding the collection of past due receivables;
- Responding to creditor inquiries regarding these proceedings;
- Placing copies of materials filed in these proceedings on its website;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

9. CONCLUSION AND RECOMMENDATION

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

* * *

All of which is respectfully submitted,



**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
WINDSOR MACHINE & STAMPING LIMITED AND THE CORPORATIONS
LISTED IN SCHEDULE "A" AND NOT IN ITS PERSONAL CAPACITY**

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

Wmsl Holdings Ltd.

442260 Ontario Ltd.

Winmach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winmach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

SCHEDULE "A"

LIST OF ADDITIONAL APPLICANTS

Lipel Investments Ltd.

Wmsl Holdings Ltd.

442260 Ontario Ltd.

Winnach Canada Ltd.

Production Machine Services Ltd.

538185 Ontario Ltd. (Ellis Tool)

Southern Wire Products Limited

Pellus Manufacturing Ltd.

Tilbury Assembly Ltd.

St. Clair Forms Inc.

Centroy Assembly Ltd.

Pioneer Polymers Inc.

G&R Cold Forging Inc.

Windsor Machine de Mexico

Winnach, Inc.

Windsor Machine Products, Inc.

Wayne Manufacturing, Inc.

383301 Ontario Limited

**OGILVY
RENAULT**

LLP / S.ENC.R.L., s.r.l.

Appendix "C"

Direct Dial: (416) 216-4825
Direct Fax: (416) 216-3930

DELIVERED

Toronto, November 13, 2008

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

Attention: Robert Kofman / Lana Bezner

Dear Sirs/Mesdames:

**RE: Bank of Montreal ("BMO") loans to Windsor Machine & Stamping Limited
("WMSL"); opinion regarding Ontario personal property security**

Each of the statements, descriptions and opinions herein is subject to the assumptions and qualifications set out below.

OCTOBER 2002 CREDIT AGREEMENT, GUARANTEES AND SECURITY

A Credit Agreement dated October 22, 2002¹, was entered into between BMO as lender and WMSL as borrower (the "2002 Credit Agreement").

At the time of the 2002 Credit Agreement, several companies granted guarantees dated October 22, 2002 in favour of BMO, each on substantially the same terms. Each of these guarantees (collectively, the "2002 Guarantees") provided that the guarantor guaranteed payment of all present and future debts and liabilities, direct or indirect, of WMSL to BMO. The companies granting the 2002 Guarantees were:

- a) 442260 Ontario Limited
- b) Wayne Manufacturing, Inc.²

¹ There were prior borrowings, guarantees and security granted to BMO, from 1991. These transactions and documents are not reviewed in this opinion, except as specifically stated.

² While most of the 2002 Guarantees were governed by the laws of the Province of Ontario, certain of the 2002 Guarantees were governed by the laws of the State of Michigan. Specifically, the guarantees given by Wayne Manufacturing, Inc., Windsor Machine Products, Inc., and WinMach, Inc. (the "US Guarantors") were governed by the laws of the State of Michigan. Since these guarantees and the related guarantor security agreements (referred to below) are not governed by the laws of the Province of Ontario, we have not opined on them.

Barristers & Solicitors,
Patent Agents & Trade-mark Agents

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- c) Windsor Machine Products, Inc. (see footnote 2)
- d) St. Clair Forms Inc.
- e) 538185 Ontario Limited
- f) Pelhus Manufacturing Ltd.
- g) Southern Wire Products Limited
- h) Centroy Assembly Ltd.
- i) Pioneer Polymers Inc.
- j) Tilbury Assembly Ltd.
- k) Production Machine Services Ltd.
- l) WinMach, Inc. (see footnote 2)

The 2002 Guarantees each appear to have been properly completed and executed.

The US Guarantors (as defined in footnote 2) each granted a Guarantor Security Agreement in favour of BMO, which secures payment of the liabilities of the US Guarantors under their respective 2002 Guarantees. These Guarantor Security Agreements each created a security interest in BMO in all assets and proceeds, and are each governed by the laws of the State of Michigan.

WMSL and each of the 2002 Ontario Guarantors (that is, all 2002 Guarantors other than the US Guarantors) granted "Ontario Personal Property Security Act Security Agreements" (herein, the "2002 Ontario Security Agreements") dated October 22, 2002, which secure payment of their respective liabilities and obligations to BMO. These 2002 Ontario Security Agreements each created a security interest in favour of BMO in all of the grantor's property and assets, real and personal, both present and future, and are each governed by the *Personal Property Security Act* of Ontario (the "PPSA").

Although Lipel Investments Ltd. ("Lipel") did not appear to grant an additional guarantee in October of 2002, it had granted a guarantee dated January 30, 2002, limited to \$10,000,000. Lipel also granted a 2002 Ontario Security Agreement dated October 22, 2002.

We have conducted corporate searches with respect to WMSL, each of the 2002 Ontario Guarantors, and Lipel; these searches are summarized in Schedule A to this opinion. These corporate searches reveal that WMSL, each of the 2002 Ontario Guarantors, and Lipel (i) was incorporated or amalgamated pursuant to the laws of the Province of Ontario, (ii) was existing in October 2002, and continues to exist³, and (iii) had the respective names indicated above in October 2002, and continue to have those same names.

We have also conducted searches under the PPSA with respect to WMSL, each of the 2002 Ontario Guarantors, and Lipel, with file currencies as of July 31, 2008 to August 11, 2008, which searches revealed the following registrations under the PPSA, each made on October 15, 2002 and ostensibly relating to the 2002 Ontario Security Agreements. Each of these registrations was for a period of ten years, and applied to collateral indicated as "Inventory", "Equipment", "Accounts", "Other", and "Motor Vehicle":

- a) WMSL - registration number 20021015 1303 1590 5992 (reference file number 888257682);
- b) 442260 Ontario Limited - registration number 20021015 1302 1590 5991 (reference file number 888257664);
- c) St. Clair Forms Inc. - registration number 20021015 1258 1590 5983 (reference file number 888257547);
- d) 538185 Ontario Limited - registration number 20021015 1302 1590 5990 (reference file number 888257655);
- e) Pellus Manufacturing Ltd. - 20021015 1300 1590 5987 (reference file number 888257619);
- f) Southern Wire Products Limited - registration number 20021015 1259 1590 5984 (reference file number 888257556);
- g) Centroy Assembly Ltd. - 20021015 1301 1590 5989 (reference file number 888257646);
- h) Pioneer Polymers Inc. - 20021015 1300 1590 5986 (reference file number 888257583);

³ Centroy Assembly Ltd., as it currently exists, was formed by the amalgamation of two predecessor companies on August 1, 2007. One of those predecessor companies had the same name, "Centroy Assembly Ltd." on October 22, 2002.

- i) Tilbury Assembly Ltd. - 20021015 1258 1590 5982 (reference file number 888257538);
- j) Production Machine Services Ltd. - 20021015 1259 1590 5985 (reference file number 888257574); and
- k) Lipel Investments Ltd. - 20021015 1301 1590 5988 (reference file number 888257628).

Opinion with respect to the 2002 Ontario Security Agreements

Accordingly, we are of the opinion that each of the 2002 Ontario Security Agreements (including the 2002 Ontario Security Agreement granted by Lipel) created a valid security interest in favour of BMO in the personal property described therein, enforceable against a trustee in bankruptcy, and that each of the 2002 Ontario Security Agreements (including the 2002 Ontario Security Agreement granted by Lipel) was perfected by registration in accordance with the PPSA.

2003 TERM SHEET

The 2002 Credit Agreement was amended by a term sheet dated April 14, 2003 between WMSL and BMO (the "2003 Term Sheet").

By a confirmation agreement dated May 22, 2003, (i) WMSL confirmed its continuing obligations under the 2002 Credit Agreement, as amended by the 2003 Term Sheet, and pursuant to the 2002 Ontario Security Agreement granted by it, (ii) each of the 2002 Ontario Guarantors confirmed its respective 2002 Guarantee and the 2002 Ontario Security Agreement granted by it, and (iii) Lipel confirmed its January 30, 2002 limited guarantee and the 2002 Ontario Security Agreement granted by it.

G&R Cold Forging Inc. ("G&R") granted a guarantee dated May 22, 2003 in favour of BMO (the "G&R Guarantee"), to guarantee payment of all present and future debts and liabilities, direct or indirect, of WMSL to BMO. The G&R Guarantee appears to have been properly completed and executed.

G&R also granted an Ontario Personal Property Security Act Security Agreement dated May 22, 2003 (the "G&R Security Agreement"), which secures payment of its liabilities and obligations to BMO. The G&R Security Agreement created a security interest in favour of BMO in all of the grantor's property and assets, real and personal, both present and future, and is governed by the PPSA.

We also conducted a corporate search with respect to G&R, which is summarized in Schedule A to this opinion. This corporate search revealed that G&R was incorporated pursuant to the laws of the Province of Ontario, (ii) was existing in May 2003, and continues to exist, and (iii) had the names "G&R Cold Forging Inc." on May 22, 2003, and continues to have that same name.

We also conducted a search under the PPSA with respect to G&R, with a file currency as of July 31, 2008, which search revealed registration number 20030428 1412 1590 5197 under the PPSA, ostensibly relating to the G&R Security Agreement. This registration was for a period of ten years, and applied to collateral indicated as "Inventory", "Equipment", "Accounts", "Other", and "Motor Vehicle".

Opinion with respect to the G&R Security Agreement

Accordingly, we are of the opinion that the G&R Security Agreement created a valid security interest in favour of BMO in the personal property described therein, enforceable against a trustee in bankruptcy, and that the G&R Security Agreement was perfected by registration in accordance with the PPSA.

WMSL HOLDINGS LTD. GUARANTEE AND SECURITY

WMSL Holdings Ltd. ("Holdings") granted a guarantee dated July 30, 2004 in favour of BMO (the "Holdings Guarantee"), to guarantee payment of all present and future debts and liabilities, direct or indirect, of WMSL to BMO. The Holdings Guarantee appears to have been properly completed and executed.

Holdings also granted an Ontario Personal Property Security Act Security Agreement dated July 30, 2004 (the "Holdings Security Agreement"), which secures payment of its liabilities and obligations to BMO. The Holdings Security Agreement created a security interest in favour of BMO in all of the grantor's property and assets, real and personal, both present and future, and is governed by the PPSA.

We also conducted a corporate search with respect to Holdings, which is summarized in Schedule A to this opinion. This corporate search revealed that Holdings was amalgamated pursuant to the laws of the Province of Ontario on July 31, 2004, (ii) was existing on July 31, 2004, and continues to exist, and (iii) had the names "WMSL Holdings Ltd." on July 31, 2004, and continues to have that same name. Prior to its amalgamation, one of its predecessor companies also had the name "WMSL Holdings Ltd.", as indicated in the corporate search summarized in Schedule A.

We also conducted a search under the PPSA with respect to Holdings, with a file currency as of August 7, 2008, which search revealed registration number 20040727 1026 1590 5328 under the PPSA, ostensibly relating to the Holdings Security Agreement. This registration was for a period of ten years, and applied to collateral indicated as "Inventory", "Equipment", "Accounts", "Other", and "Motor Vehicle".

Opinion with respect to the Holdings Security Agreement

As noted above, Holdings (as it currently exists) was amalgamated on July 31, 2004. It would therefore have been Holdings' predecessor corporation (with the same name) that executed both the Holdings Guarantee and the Holdings Security Agreement on July 30, 2004. Holdings (as it currently exists) was created by amalgamation the following day (July 31, 2004), and on that date appears to have executed the confirmation agreement referred to below, confirming its liabilities under these documents.

Accordingly, we are of the opinion that the Holdings Security Agreement created a valid security interest in favour of BMO in the personal property described therein, enforceable against a trustee in bankruptcy, and that the Holdings Security Agreement was perfected by registration in accordance with the PPSA.

JULY 2004 AMENDED AND RESTATED CREDIT AGREEMENT

WMSL and BMO entered into an Amended and Restated Credit Agreement dated July 31, 2004 (the "2004 Amended and Restated Credit Agreement"), which further amended the 2002 Credit Agreement, and restated it.

On the same date, Lipel granted an unlimited guarantee in favour of BMO, to guarantee payment of all present and future debts and liabilities, direct or indirect, of WMSL to BMO. This guarantee was granted in addition to the limited guarantee dated January 30, 2002, noted above, and appears to have been properly completed and executed. By a Confirmation dated November 12, 2008, Lipel confirmed this guarantee.

By a confirmation agreement dated July 31, 2004, (i) WMSL confirmed its continuing obligations under the 2004 Amended and Restated Credit Agreement, and pursuant to the 2002 Ontario Security Agreement granted by it, (ii) each of the 2002 Ontario Guarantors confirmed its respective 2002 Guarantee and the 2002 Ontario Security Agreement granted by it, (iii) Lipel confirmed its January 30, 2002 guarantee and the 2002 Ontario Security Agreement granted by it, (iv) G&R confirmed the G&R Guarantee and the G&R Security Agreement, and (v) Holdings confirmed the Holdings Guarantee and the Holdings Security Agreement.

WINMACH CANADA LTD. GUARANTEES AND SECURITY

Winmach Canada Ltd. ("Winmach Canada") granted a guarantee dated July 31, 2005 in favour of BMO (the "Winmach Canada Guarantee"), to guarantee payment of all present and future debts and liabilities, direct or indirect, of WMSL to BMO. The Winmach Canada Guarantee appears to have been properly completed and executed.

2. the Charge/Mortgage of Land in the principal amount of \$270,000.00 given by the Company (under its former name Tech Centre Manufacturing Ltd.) in favour of the Mortgagee and registered on title to the 7025 Industrial Property (the FIRSTLY described lands) on September 16, 1992, in the Essex Land Titles Office, as Instrument No. R1211819, together with standard charge terms filed under Number 882 (the "Second 7025 Industrial Mortgage");
3. the Charge/Mortgage of Land in the principal amount of \$5,000,000.00 given by the Company in favour of the Mortgagee and registered on title to the 7025 Industrial Property (the FIRSTLY described lands) on June 23, 2000, in Essex Land Titles Office, as Instrument No. R1493847, (the "Third 7025 Industrial Mortgage");
4. the Charge/Mortgage of Land in the principal amount of \$5,000,000.00 given by the Company in favour of the Mortgagee and registered on title to the 7045 Industrial Property on November 29, 1996, in Essex Land Titles Office, as Instrument No. LT205903 (the "7045 Industrial Mortgage"); and
5. the Instruments registered on title to the Lakeshore Properties that we have deemed relevant to this opinion.

For the purpose of this opinion, documents listed above are collectively hereinafter referred to as the "Security Documents".

Searches Conducted

We have searched the registered title to the Lakeshore Properties and have also obtained execution certificates as against the name Lipel Investments Limited, dated October 31, 2008, that confirm that there are no writs of execution against such entities.

Other than as specifically set out herein, we have conducted no other searches or enquiries with respect to the Properties and the opinions expressed herein are based solely on such searches and enquiries.

Assumptions and Reliances

For the purposes of the opinions expressed herein, we have (without independent investigation):

- (a) assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents delivered to us as original and the conformity to authentic original documents of all documents submitted to us as photostatic copies or facsimiles;

Winnmach also granted an Ontario Personal Property Security Act Security Agreement dated July 31, 2005 (the "Winnmach Canada Security Agreement"), which secures payment of its liabilities and obligations to BMO. The Winnmach Canada Security Agreement created a security interest in favour of BMO in all of the grantor's property and assets, real and personal, both present and future, and is governed by the PPSA.

We also conducted a corporate search with respect to Winnmach Canada, which is summarized in Schedule A to this opinion. This corporate search revealed that Winnmach Canada was amalgamated pursuant to the laws of the Province of Ontario on July 31, 2005, (ii) was existing on July 31, 2005, and continues to exist, and (iii) had the name "Winnmach Canada Ltd." on July 31, 2005, and continues to have that same name.

We also conducted a search under the PPSA with respect to Winnmach Canada, with a file currency as of August 7, 2007, which search revealed registration number 20050802 1015 1590 1958 under the PPSA, ostensibly relating to the Winnmach Canada Security Agreement. This registration was for a period of ten years, and applied to collateral indicated as "Inventory", "Equipment", "Accounts", "Other", and "Motor Vehicle".

Opinion with respect to the Winnmach Canada Security Agreement

Accordingly, we are of the opinion that the Winnmach Canada Security Agreement created a valid security interest in favour of BMO in the personal property described therein, enforceable against a trustee in bankruptcy, and that the Winnmach Canada Security Agreement was perfected by registration in accordance with the PPSA.⁴

JULY 2005 SECOND AMENDED AND RESTATED CREDIT AGREEMENT

WMSL and BMO entered into a Second Amended and Restated Credit Agreement dated July 31, 2005 (the "2005 Second Amended and Restated Credit Agreement"), which further amended the 2002 Credit Agreement, and restated it.

⁴ We note that two of Winnmach Canada's predecessor companies, namely 2077710 Ontario Limited and 2077664 Ontario Limited, also each granted a guarantee and security agreement in favour of BMO, but those guarantee and security documents are not reviewed here.

By a confirmation agreement dated July 31, 2005, (i) WMSL confirmed its continuing obligations under the 2005 Second Amended and Restated Credit Agreement, and pursuant to the 2002 Ontario Security Agreement granted by it, (ii) each of the 2002 Ontario Guarantors confirmed its respective 2002 Guarantee and the 2002 Ontario Security Agreement granted by it, (iii) Lipel confirmed its January 30, 2002 limited guarantee and the 2002 Ontario Security Agreement granted by it, (iv) G&R confirmed the G&R Guarantee and the G&R Security Agreement, (v) Holdings confirmed the Holdings Guarantee and the Holdings Security Agreement, and (vi) Winnach Canada confirmed the guarantees and security agreements granted by two of its predecessor companies, as noted in footnote 4, above.

The 2005 Second Amended and Restated Credit Agreement was further amended by Amendment Agreement No. 1 dated as of June 11, 2008. This Amendment Agreement contained a provision that "the parties hereto confirm all provisions of the Credit Agreement, as amended by this agreement", and this Amendment Agreement was signed by WMSL, each of the 2002 Ontario Guarantors, Lipel, G&R, Holdings, and Winnach Canada.

SCHEDULE

The following schedule is attached to and forms part of this opinion:

Schedule A -- Summary of Corporate Searches for WMSL, each 2002 Ontario Guarantors, Lipel, G&R, Holdings and Winnach Canada.

ASSUMPTIONS AS TO AUTHENTICITY OF DOCUMENTS, ETC.

For the purposes of the opinions expressed herein and the discussions contained in this letter, we have assumed the following:

1. the genuineness of all signatures and the conformity of photocopies of the Documents to authentic original documents; the term "Documents", as used hereinafter, means the 2002 Credit Agreement, the 2002 Guarantees, the guarantees granted by Lipel on January 30, 2002 and July 31, 2004, the 2002 Ontario Security Agreements (including the 2002 Security Agreement granted by Lipel), the 2003 Term Sheet, the G&R Guarantee, the G&R Security Agreement, the Holdings Guarantee, the Holdings Security Agreement, the 2004 Amended and Restated Credit Agreement, the Winnach Canada Guarantee, the Winnach Canada Security Agreement, the 2005 Second Amended and Restated Credit Agreement, the Amendment Agreement No. 1 dated as of June 11, 2008, the Lipel Confirmation dated November 12, 2008, and the confirmation agreements dated May 22, 2003, July 31, 2004 and July 31, 2005;

2. that except as specifically noted, each of WMSL, the 2002 Ontario Guarantors, G&R, Holdings, and Winnach Canada (collectively, the "Companies") was duly amalgamated or incorporated, as the case may be, and validly existing at the time of the execution and delivery of such Documents as were executed and delivered by it, and has continued to be duly amalgamated or incorporated and validly existing since that time;
3. that each of the Companies had full corporate power to execute, deliver and perform the terms of the Documents executed and delivered by it, that such Documents were properly authorized, executed and delivered by it;
4. that there are no other agreements or extraneous facts not disclosed in the Documents that would or might affect the validity or enforceability of the Documents;
5. that the Documents were issued for valuable consideration and that all of the conditions precedent contained in the Documents, if any, were satisfied or waived;
6. that attachment of the security interests constituted by the Security Documents has occurred within the meaning of the PPSA; the term "Security Documents" as used hereinafter, means the 2002 Ontario Security Agreements (including the 2002 Security Agreement granted by Lipel), the G&R Security Agreement, the Holdings Security Agreement, and the Winnach Canada Security Agreement;
7. that none of the collateral granted to BMO to secure the obligations owing by the Companies under the Security Documents comprises Consumer Goods (as such term is defined in the PPSA);
8. that the collateral described in the Documents that comprises tangible personal property is situate in the Province of Ontario and has been since the Companies acquired rights in that collateral; and
9. that, where applicable, financing statements were properly executed by or on behalf of BMO.

QUALIFICATIONS

We are solicitors qualified in the Province of Ontario, Canada, and accordingly, no opinion is expressed herein as to the laws of any jurisdiction other than the Province of Ontario and the federal laws of Canada applicable therein. As solicitors in the Province of Ontario, we are qualified to give opinions on matters of Ontario and Canadian law only. Accordingly, we cannot provide an opinion as to the proper registration or perfection of the Security Documents in any other jurisdictions.

The foregoing opinions and the discussions contained herein are subject to the following qualifications:

1. the enforceability of the Documents is subject to bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights generally;
2. the enforceability of the Documents is subject to general equitable principles, including the fact that the availability of equitable remedies is in the discretion of a court;
3. the enforceability of the Documents is subject to equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;
4. we express no opinion as to whether registration under the PPSA is effective to perfect a security interest in collateral in respect of which the federal laws of Canada require that notices, filings or registrations be made, that other steps or actions be taken in order to perfect the security interest in such collateral, or where such federal laws otherwise prohibit or prevent the granting of such security interest;
5. we express no opinion as to the creation of any security interest in property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit the assignment or require, as a condition of assignability, a consent, approval or other authorization or registration which has not been made or given;
6. we express no opinion as to the enforcement of any security interest in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
7. the PPSA does not apply to certain types of collateral enumerated in section 4 of that Act, and we therefore express no opinion as to whether registration under the PPSA is effective to perfect a security interest in such collateral;
8. we express no opinion as to the Companies' right, title and interest in and to the collateral and property secured by the Security Documents;
9. we express no opinion as to the priority or ranking of the Security Documents;
10. to the extent that the rights or properties subject to the Security Documents include patents, trade-marks or copyrights, registration of the Security Documents under the PPSA may not be effective to fully preserve, perfect or protect the security constituted thereby;
11. we express no opinion with respect to any provisions of the Documents which purport to waive the rights of any party under any legislation;
12. enforcement of claims may become barred under applicable statutes of limitation or as a result of extinctive prescription and may be subject to counter claims or set-offs;

13. the opinions expressed herein are provided to and are for the sole purpose of RSM Richter Inc., as Monitor appointed under the *Companies' Creditors Arrangement Act* proceedings commenced by WMSL and others on August 6, 2008 in the Ontario Superior Court of Justice, Court File No. CV-08-7672-00CL.

We trust the foregoing is satisfactory. Please do not hesitate to contact us should you have any questions or comments.

Yours very truly,

Ogilvy Renault LLP



SCHEDULE A
(Summary of Corporate Searches)

WMSL

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of WMSL, which revealed that it was formed by way of articles of incorporation on February 2, 1948, as "Windsor Machine & Stamping Limited", under the laws of the Province of Ontario.

442260 ONTARIO LIMITED ("442260")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of 442260, which revealed that it was formed by way of articles of incorporation on March 24, 1980, as "442260 Ontario Limited" under the laws of the Province of Ontario.

ST. CLAIR FORMS INC. ("St. Clair")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of St. Clair, which revealed that it was formed by way of articles of incorporation on August 31, 1981, as "St. Clair Wire Forms Inc." under the laws of the Province of Ontario. St. Clair subsequently changed its name, on September 16, 1985, to "St. Clair Forms Inc."

538185 ONTARIO LIMITED ("538185")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of 538185, which revealed that it was formed by way of articles of incorporation on May 17, 1983, as "538185 Ontario Limited" under the laws of the Province of Ontario.

PELLUS MANUFACTURING LTD. ("Pellus")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Pellus, which revealed that it was formed by way of articles of incorporation on May 29, 1985, as "Pellus Manufacturing Ltd." under the laws of the Province of Ontario.

SOUTHERN WIRE PRODUCTS LIMITED ("Southern")

We have received and reviewed a copy of a corporate search current to August 12, 2008, in respect of Southern, which revealed that it was formed by way of articles of incorporation on July 19, 1977, as "363147 Ontario Limited" under the laws of the Province of Ontario. Southern subsequently changed its name, on December 1, 1977, to "Southern Wire Products Limited".

CENTROY ASSEMBLY LTD. ("Centroy")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Centroy, which revealed that it was formed by way of articles of amalgamation on August 1, 2007, as "Centroy Assembly Ltd.", by the amalgamation of "Centroy Assembly Ltd." (Corporate Number 627533) and "JVD Manufacturing Ltd.", under the laws of the Province of Ontario.

We did not conduct a corporate search on the predecessor "Centroy Assembly Ltd." (Corporate Number 627533), but we reviewed its articles of incorporation and a certificate of status relating to this corporation, which indicated that it was in existence under that name on October 22, 2002, at the time of the creation of the 2002 Ontario Guarantee and 2002 Ontario Security Agreement granted by it.

PIONEER POLYMERS INC. ("Pioneer")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Pioneer, which revealed that it was formed by way of articles of incorporation on November 21, 2001, as "Pioneer Polymers Inc." under the laws of the Province of Ontario.

TILBURY ASSEMBLY LTD. ("Tilbury")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Tilbury, which revealed that it was formed by way of articles of incorporation on February 22, 1995, as "Tilbury Assembly Ltd.", under the laws of the Province of Ontario.

PRODUCTION MACHINE SERVICES LTD. ("PMSL")

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of PMSL, which revealed that it was formed by way of articles of incorporation on February 23, 1995, as "Production Machine Services Ltd." under the laws of the Province of Ontario.

LIPEL INVESTMENTS LTD.

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Lipel, which revealed that it was formed by way of articles of incorporation on July 23, 1984, as "Lipel Investments Ltd." under the laws of the Province of Ontario.

G&R COLD FORGING INC.

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of G&R, which revealed that it was formed by way of articles of incorporation on January 30, 2003, as "G&R Cold Forging Inc." under the laws of the Province of Ontario.

WMSL HOLDINGS LTD.

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Holdings, which revealed that it was formed by way of articles of amalgamation on July 31, 2004, as "WMSL Holdings Ltd.", by the amalgamation of "WMSL Holdings Ltd." (Corporate Number 1614971) and "1614972 Ontario Limited", under the laws of the Province of Ontario.

We did not conduct a corporate search on the predecessor "WMSL Holdings Ltd." (Corporate Number 1614971), but we reviewed its articles of incorporation and a certificate of status relating to this corporation, which indicated that it was in existence under that name on July 30, 2004, at the time of the creation of the Holdings Guarantee and Holdings Security Agreement.

WINMACH CANADA LTD.

We have received and reviewed a copy of a corporate search current to August 8, 2008, in respect of Winnmach Canada, which revealed that it was formed by way of articles of amalgamation on July 31, 2005, as "Winnmach Canada Ltd." by the amalgamation of "2077664 Ontario Limited" and "2077710 Ontario Limited", under the laws of the Province of Ontario.

**OGILVY
RENAULT**

U.P./S.E.N.C.R.L., s.r.l.

Direct Dial: (613) 780-8655
jpaquette@ogilvyrenault.com

Ottawa, November 24, 2008

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

Attention: Robert Kofman/Lana Bezner

Dear Sirs/Madam:

**RE: Lipel Investments Ltd.
Properties located in Tecumseh (Ontario)
Security in favour of Bank of Montreal**

We act as independent counsel for RSM Richter Inc. in its capacity as court-appointed monitor in Lipel Investments Ltd.'s (the "Company") proceedings under the *Companies' Creditors Arrangement Act*. We have been asked to provide an opinion with respect to certain security granted by the Company in favour of Bank of Montreal (hereinafter referred to as the "Mortgagee"). This opinion is provided to you in connection with certain real properties legally described in Schedule "A" and municipally known as follows:

- (a) 5725 Outer Drive, Tecumseh, Ontario (the "5725 Outer Drive Property");
- (b) 5475 Outer Drive, Tecumseh, Ontario (the "5475 Outer Drive Property");
and
- (c) 5255 Brendan Lane, Tecumseh, Ontario (the "Brendan Lane Property");

the 5725 Outer Drive Property, the 5475 Outer Drive Property and the Brendan Lane Property shall be collectively referred to herein as the "Tecumseh Properties".

Security Documents Examined

In connection with this opinion, we have examined the following documents:

1. the Charge/Mortgage of Land in the principal amount of \$5,000,000.00 given by the Company in favour of the Mortgagee and registered on title to the Tecumseh

Barristers & Solicitors,
Patent Agents & Trade-mark Agents

Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
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Properties, on November 29, 1996, in Land Titles Office No. 12 (Essex) (the "Essex Land Titles Office"), as Instrument No. R1366582 (the "Mortgage"); and

2. the Instruments registered on title to the Tecumseh Properties that we have deemed relevant to this opinion.

For the purpose of this opinion, documents listed above are collectively hereinafter referred to as the "Security Documents".

Searches Conducted

We have searched the registered title to the Tecumseh Properties and have also obtained execution certificates as against the name Lipel Investments Ltd., dated October 31, 2008, that confirm that there are no writs of execution against such entities.

Other than as specifically set out herein, we have conducted no other searches or enquiries with respect to the Tecumseh Properties and the opinions expressed herein are based solely on such searches and enquiries.

Assumptions and Reliances

For the purposes of the opinions expressed herein, we have (without independent investigation):

- (a) assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents delivered to us as original and the conformity to authentic original documents of all documents submitted to us as photostatic copies or facsimiles;
- (b) assumed the accuracy of the records maintained at the Essex Land Titles Office where we have searched or inquired or have caused searches or inquiries to be conducted, as the case may be;
- (c) relied upon certificates of public officials as to matters of fact not stated herein and to have been assumed or independently verified or established by us;
- (d) assumed that all necessary corporate action has been taken by the Company to authorize the execution, delivery and performance by the Company of its obligations under the Security Documents;

- (e) assumed that the Acknowledgement and Direction requisite to authorize the electronic registration of the Mortgagee on the title to the Tecumseh Properties has been duly executed and delivered by the Company;
- (f) assumed that the Security Documents have been duly executed and delivered;
- (g) assumed that the Company was not insolvent or had not committed an act of bankruptcy as defined under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3, as amended, at the time it granted a charge and security interest to the Mortgagee in the Tecumseh Properties; and
- (h) assumed that the Company had not committed an act of fraud and that the Tecumseh Properties were not the subject of a fraudulent transaction.

Qualifications and Limitations

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario, including the applicable federal laws of Canada, as currently applied and in force in Ontario;
- (b) we express no opinion as to whether the Company has good and marketable title to the Tecumseh Properties. However, the records of the Essex Land Titles Office indicate that Lipel Investments Ltd. is the current owner of the Tecumseh Properties;
- (c) we have not searched and express no opinion regarding the existence of any realty tax or water arrears, which arrears could constitute a charge on the Tecumseh Properties;
- (d) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion; and
- (e) save and except as specifically stated herein, we express no opinion as to the enforceability of the Security Documents.

Opinion

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Mortgage constitutes, as at the date of this opinion, a first priority, fixed and

specific mortgage of and charge upon the Tecumseh Properties for a principal amount of \$5,000,000.00, subject only to:

- (i) the Company's rights of redemption under the Mortgage and otherwise at law or in equity;
- (ii) the item described in Schedule "B" hereto specifically for the 5725 Outer Drive Property;
- (iii) the item described in Schedule "C" hereto specifically for the Brendan Lane Property;
- (iv) the items described in Schedule "D" hereto for the Tecumseh Properties; and
- (v) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

This opinion is provided solely for the benefit of the addressee of this opinion in connection with the transaction described herein. This opinion may not be relied upon by or disclosed to anyone else or used for any other purpose, without our prior written consent.

Yours truly,

Ogilvy Renault LLP

SCHEDULE "A"

LEGAL DESCRIPTION

A) 5725 Outer Drive, Tecumseh (Ontario)

PIN 70621-0269 (LT)

Part of Block C, Plan 1617, geographic township of Sandwich South, now in the Town of Tecumseh, County of Essex, designated as Part 1 on Plan 12R-10063

B) 5475 Outer Drive, Tecumseh (Ontario)

PIN 70621-0263 (LT)

Part of Block C, Plan 1617, geographic township of Sandwich South, now in the Town of Tecumseh, County of Essex, designated as Part 1 on Plan 12R-13260

C) 5255 Brendan Lane, Tecumseh (Ontario)

PIN 70622-0273 (LT)

Part of the north half of Lot 304, Concession North Talbot Road, geographic township of Sandwich East, now in the Town of Tecumseh, County of Essex, designated as Part 21 on Plan 12R-5342, save and except Part 1 on Plan 12R-8975 and Part 1 on Plan 12R-23575

SCHEDULE "B"

SPECIFIC TITLE QUALIFICATIONS FOR THE 3725 OUTER DRIVE PROPERTY

1. Instrument No. 970510 registered on May 7, 1986 is a Notice of an Industrial Development Agreement with The Corporation of the Township of Sandwich South.

SCHEDULE "C"

SPECIFIC TITLE QUALIFICATIONS FOR THE BRENDAN LANE PROPERTY

1. Instrument No. LT373781 registered on October 15, 2002 is a Land Registrar Amendment to add the reference to Instrument No. R1366382 (the Mortgage) to the title to the Brendan Lane Property. It was originally omitted in error.

SCHEDULE "D"

GENERAL TITLE QUALIFICATIONS FOR THE TECUMSEH PROPERTIES

2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
3. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
4. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
5. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the Tecumseh Properties and governing the ownership, use and development thereof;
6. Any actual or potential claims which have been or may be asserted against the Tecumseh Properties or any portion thereof by any native or aboriginal peoples;
7. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the Tecumseh Properties by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
8. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
9. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the Tecumseh Properties might disclose;
10. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
11. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the Tecumseh Properties is required in order to perfect a party's interest thereunder;

12. Any violation of the Planning Act; and
13. Any deficiency in the chain of title resulting in an escheat of title to the Tecumseh Properties.

**OGILVY
RENAULT**

LLP / SENCRL, s.r.l.

Direct Dial: (613) 780-8655
jpaquette@ogilvyrenault.com

Ottawa, November 24, 2008

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

Attention: Robert Kofman/Lana Bezner

Dear Sirs/Madam:

**RE: Lipel Investments Ltd.
Properties located in Lakeshore (Ontario)
Security in favour of Bank of Montreal**

We act as counsel for RSM Richter Inc. in its capacity as court-appointed monitor in Lipel Investments Ltd.'s (the "Company") proceedings under the *Companies' Creditors Arrangement Act*. We have been asked to provide an opinion with respect to certain security granted by the Company in favour of Bank of Montreal (hereinafter referred to as the "Mortgagee"). This opinion is provided to you in connection with certain real properties legally described in Schedule "A" and municipally known as follows:

- (a) 7025 Industrial Drive, Lakeshore, Ontario (the "7025 Industrial Property");
- (b) 7045 Industrial Drive, Lakeshore, Ontario (the "7045 Industrial Property");

the 7025 Industrial Property and the 7045 Industrial Property shall be collectively referred to herein as the "Lakeshore Properties".

Security Documents Examined

In connection with this opinion, we have examined the following documents:

1. the Charge/Mortgage of Land in the principal amount of \$5,000,000.00 given by the Company in favour of the Mortgagee and registered on title to the 7025 Industrial Property (the SECONDLY described lands) on June 23, 2000, in Land Titles Office No. 12 (Essex) (the "Essex Land Titles Office"), as Instrument No. LT275499 (the "First 7025 Industrial Mortgage");

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- (b) assumed the accuracy of the records maintained at the Essex Land Titles Office where we have searched or inquired or have caused searches or inquiries to be conducted, as the case may be;
- (c) relied upon certificates of public officials as to matters of fact not stated herein and to have been assumed or independently verified or established by us;
- (d) assumed that all necessary corporate action has been taken by the Company to authorize the execution, delivery and performance by the Company of its obligations under the Security Documents;
- (e) assumed that the Acknowledgement and Direction requisite to authorize the electronic registration of the First 7025 Industrial Mortgage and the 7045 Industrial Mortgage on the relevant properties has been duly executed and delivered by the Company;
- (f) assumed that the Security Documents have been duly executed and delivered;
- (g) assumed that the Company was not insolvent or had not committed an act of bankruptcy as defined under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3, as amended, at the time it granted a charge and security interest to the Mortgagee in the Lakeshore Properties; and
- (h) assumed that the Company had not committed an act of fraud and that the Lakeshore Properties were not the subject of a fraudulent transaction.

Qualifications and Limitations

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario, including the applicable federal laws of Canada, as currently applied and in force in Ontario;
- (b) we express no opinion as to whether the Company has good and marketable title to the Lakeshore Properties. However, the records of the Essex Land Titles Office indicate that Lipel Investments Ltd. is the current registered owner of the 7025 Industrial Property (the SECONDLY described Lands) and of the 7045 Industrial Property. The 7025 Industrial Property (the FIRSTLY described lands) remains in the registry system and therefore a full title search would be required to confirm ownership. We have not conducted such title search;

- (c) we have not searched and express no opinion regarding the existence of any realty tax or water arrears, which arrears could constitute a charge on the Lakeshore Properties;
- (d) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion; and
- (e) save and except as specifically stated herein, we express no opinion as to the enforceability of the Security Documents.

Opinion

A) The 7025 Industrial Property

- (1) Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the First 7025 Industrial Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the 7025 Industrial Property (the **SECONDLY** described lands) for a principal amount of \$5,000,000.00, subject only to:
 - (i) the Company's rights of redemption under the First 7025 Industrial Mortgage and otherwise at law or in equity;
 - (ii) the items described in Schedule "B" hereto for the **SECONDLY** described lands; and
 - (iii) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.
- (2) Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Second 7025 Industrial Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the 7025 Industrial Property (the **FIRSTLY** described lands) for a principal amount of \$270,000.00, subject only to:
 - (iv) the Company's rights of redemption under the Second 7025 Industrial Mortgage and otherwise at law or in equity;
 - (v) the items described in Schedule "B" hereto for the **FIRSTLY** described lands; and

- (vi) the statutory priority accorded to liens under the *Construction Lien Act (Ontario)* to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.
- (3) Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Third 7025 Industrial Mortgage constitutes, as at the date of this opinion, a second priority, fixed and specific mortgage of and charge upon the 7025 Industrial Property (the **FIRSTLY** described lands) for a principal amount of \$5,000,000.00, subject only to:
 - (vii) the Company's rights of redemption under the Third 7025 Industrial Mortgage and otherwise at law or in equity;
 - (viii) the items described in Schedule "B" hereto for the **FIRSTLY** described lands; and
 - (ix) the statutory priority accorded to liens under the *Construction Lien Act (Ontario)* to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

C) The 7045 Industrial Property

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the 7045 Industrial Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the 7045 Industrial Property for a principal amount of \$5,000,000.00, subject only to:

- (x) the Company's rights of redemption under the 7045 Industrial Mortgage and otherwise at law or in equity;
- (xi) the items described in Schedule "C" hereto; and
- (xii) the statutory priority accorded to liens under the *Construction Lien Act (Ontario)* to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

This opinion is provided solely for the benefit of the addressee of this opinion in connection with the transaction described herein. This opinion may not be relied upon by or disclosed to anyone else or used for any other purpose, without our prior written consent.

Yours truly,

Ogilvy Renault LLP

SCHEDULE "A"

LEGAL DESCRIPTION

A) 7025 Industrial Drive, Lakeshore (Ontario)

FIRSTLY

PIN 75062-0216 (R)

Lots 20, 21, 22, 23, 24 and 25 on Plan 275, part of Alley on Plan 275, closed by R1157456, and part of Maple Street on Plan 275, closed by R1157456, and designated as Part 9 on Plan 12R-9085, geographic township of Tilbury West, now in the Town of Lakeshore, County of Essex

SECONDLY

PIN 75062-0002 (LT)

PIN 75062-0003 (LT)

PIN 75062-0004 (LT)

PIN 75062-0005 (LT)

Lots 35, 36, 37 and 38 on Plan 12M-186, geographic township of Tilbury West, now in the Town of Lakeshore, County of Essex

B) 7045 Industrial Drive, Lakeshore (Ontario)

PIN 75062-0001 (LT)

Lot 34 on Plan 12M-186, geographic township of Tilbury West, now in the Town of Lakeshore, County of Essex

SCHEDULE "B"

TITLE QUALIFICATIONS FOR THE 7025 INDUSTRIAL PROPERTY

A) QUALIFICATIONS TO PIN 75062-0216 (R) (FIRSTLY described lands)

1. Instrument No. R1157456 registered on April 5, 1991 is a By-law affecting the closure of part of Maple Street and Alley;
2. Instrument No. R1498597 registered on August 31, 2000 is a Notice of an Agreement with Town of Lakeshore;
3. Instrument No. R1541602 registered on March 1, 2004 is a Notice of Agreement with The Corporation of the Town of Lakeshore;
4. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
5. The provisions of the *Registry Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
6. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
7. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the 7025 Industrial Property (the FIRSTLY described lands) and governing the ownership, use and development thereof;
8. Any actual or potential claims which have been or may be asserted against the 7025 Industrial Property (the FIRSTLY described lands) or any portion thereof by any native or aboriginal peoples;
9. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the 7025 Industrial Property (the FIRSTLY described lands) by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
10. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;

11. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the 7025 Industrial Property (the **FIRSTLY** described lands) might disclose;
 12. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
 13. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the 7025 Industrial Property (the **FIRSTLY** described lands) is required in order to perfect a party's interest thereunder;
 14. Any violation of the Planning Act; and
 15. Any deficiency in the chain of title resulting in an escheat of title to the 7025 Industrial Property (the **FIRSTLY** described lands).
- B) QUALIFICATION SPECIFIC TO PIN 75062-0002 (LT), PIN 75062-0003 (LT), PIN 75062-0004 (LT), and PIN 75062-0005 (LT) (SECONDLY described lands)**
1. Instrument No. R449585 registered on September 10, 1969 is an Order made under the Planning Act designating certain areas (including the subject lands) subject to subdivision control;
 2. Instrument No. LT56410 registered on March 26, 1981 is a Notice of Subdivision Agreement with The Corporation of the Township of Tilbury West;
 3. LT281447 registered on August 31, 2000, is a Notice of Site Plan Agreement with The Corporation of the Town of Lakeshore;
 4. Instrument No. CB61244 registered on February 26, 2004, is a Notice of Site Plan Agreement with The Corporation of the Town of Lakeshore;
 5. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
 6. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;

7. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
8. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the 7025 Industrial Property (the **SECONDLY** described lands) and governing the ownership, use and development thereof;
9. Any actual or potential claims which have been or may be asserted against the 7025 Industrial Property (the **SECONDLY** described lands) or any portion thereof by any native or aboriginal peoples;
10. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the 7025 Industrial Property (the **SECONDLY** described lands) by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
11. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
12. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the 7025 Industrial Property (the **SECONDLY** described lands) might disclose;
13. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
14. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the 7025 Industrial Property (the **SECONDLY** described lands) is required in order to perfect a party's interest thereunder;
15. Any violation of the Planning Act; and
16. Any deficiency in the chain of title resulting in an escheat of title to the 7025 Industrial Property (the **SECONDLY** described lands).

SCHEDULE "C"

TITLE QUALIFICATIONS FOR THE 7045 INDUSTRIAL PROPERTY

1. Instrument No. R449585 registered on September 10, 1969 is an Order made under the Planning Act designating certain areas (including the subject lands) subject to subdivision control;
2. Instrument No. LT56410 registered on March 26, 1981 is a Notice of Subdivision Agreement with The Corporation of the Township of Tilbury West;
3. Instrument No. LT122778 registered on December 21, 1989 is a Notice of change of Address for Service registered by the National Bank of Canada;
4. LT281447 registered on August 31, 2000, is a Notice of Site Plan Agreement with The Corporation of the Town of Lakeshore;
5. Instrument No. CE61244 registered on February 26, 2004, is a Notice of Site Plan Agreement with The Corporation of the Town of Lakeshore;
6. Instrument No. LT122778 registered December 21, 1989 is an Application to Change Name;
7. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
8. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
9. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
10. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the 7045 Industrial Property and governing the ownership, use and development thereof;
11. Any actual or potential claims which have been or may be asserted against the 7045 Industrial Property or any portion thereof by any native or aboriginal peoples;

12. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the 7045 Industrial Property by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
13. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
14. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the 7045 Industrial Property might disclose;
15. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
16. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the 7045 Industrial Property is required in order to perfect a party's interest thereunder;
17. Any violation of the Planning Act; and
18. Any deficiency in the chain of title resulting in an escheat of title to the 7045 Industrial Property.

**OGILVY
RENAULT**

LP/SEN.C.R.L./srl

Direct Dial: (613) 780-8655
jpaquette@ogilvyrenault.com

Ottawa, November 25, 2008

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

Attention: Robert Kofman/Lana Bezner

Dear Sirs/Madam:

RE: 383301 Ontario Limited
Security in favour of Bank of Montreal

We act as counsel for RSM Richter Inc. in its capacity as court-appointed monitor in 383301 Ontario Limited's (the "Company") proceedings under the *Companies' Creditors Arrangement Act*. We have been asked to provide an opinion with respect to certain security granted by the Company in favour of Bank of Montreal (hereinafter referred to as the "Mortgagee"). This opinion is provided to you in connection with certain real properties legally described in Schedule "A" and municipally known as follows:

- (a) 7072 and 7084 Smith Industrial Drive, Amherstburg, Ontario (the "Amherstburg Properties");
- (b) 14 Industrial Park Road, Chatham, Ontario (the "Chatham Property"); and
- (c) 178 London Road, Thamesville, Ontario (the "Thamesville Property");

the Amherstburg Properties, the Chatham Property and the Thamesville Property shall be collectively referred to herein as the "Properties".

Security Documents Examined

In connection with this opinion, we have examined the following documents:

1. the Charge/Mortgage of Land in the principal amount of \$2,466,000.00 given by the Company in favour of the Mortgagee and registered on title to the Amherstburg Properties on May 15, 2007, in Land Titles Office No. 12 (Essex) (the "Essex Land

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Titles Office"), as Instrument No. CE272771, together with standard charge terms filed under Number 882 (the "Amherstburg Mortgage");

2. the Notice of Assignment of Rents-General given by the Company in favour of the Mortgagee and registered on title to the Amherstburg Properties on May 15, 2007, in the Essex Land Titles Office, as Instrument No. CE272813 (the "Amherstburg Assignment of Rents");
3. the Charge/Mortgage of Land in the principal amount of \$2,466,000.00 given by the Company in favour of the Mortgagee and registered on title to the Chatham Property on May 15, 2007, in Land Titles Office No. 24 (Kent) (the "Kent Land Titles Office"), as Instrument No. CK13553, together with standard charge terms filed under Number 882 (the "Chatham Mortgage");
4. the Notice of Assignment of Rents-General given by the Company in favour of the Mortgagee and registered on title to the Chatham Property on May 15, 2007, in the Kent Land Titles Office, as Instrument No. CK13579 (the "Chatham Assignment of Rents");
5. the Charge/Mortgage of Land in the principal amount of \$2,466,000.00 given by the Company in favour of the Mortgagee and registered on title to the Thamesville Property on May 15, 2007, in Kent Land Titles Office, as Instrument No. 0655841, together with standard charge terms filed under Number 882 (the "Thamesville Mortgage");
6. the Notice of Assignment of Rents-General given by the Company in favour of the Mortgagee and registered on title to the Thamesville Property on May 15, 2007, in the Kent Land Titles Office, as Instrument No. 0655842 (the "Thamesville Assignment of Rents");
7. the Acknowledgement & Direction dated November 2006 re electronic registration of the Charge/Mortgage of Land and the Notice of Assignment of Rents-General on the Amherstburg Properties and the Chatham Property (the "Acknowledgement");
8. the Postponement of Interest registered against the Amherstburg Properties on May 16, 2007 in the Essex Land Titles Office as Instrument No. CE270323;
9. the Postponement of Interest registered against the Chatham Property on May 16, 2007 in the Kent Land Titles Office as Instrument No. CK13624;
10. the Postponement of Interest registered against the Thamesville Property on May 16, 2007 in the Kent Land Titles Office as Instrument No. 0655857; and

11. the Instruments registered on title to the Properties that we have deemed relevant to this opinion.

For the purpose of this opinion, documents listed above are collectively hereinafter referred to as the "Security Documents".

Searches Conducted

We have searched the registered title to the Properties and have also obtained execution certificates as against the name 383301 Ontario Limited, dated September 3, 2008, that confirm that there are no writs of execution against such entities.

Other than as specifically set out herein, we have conducted no other searches or enquiries with respect to the Properties and the opinions expressed herein are based solely on such searches and enquiries.

Assumptions and Reliances

For the purposes of the opinions expressed herein, we have (without independent investigation):

- (a) assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents delivered to us as original and the conformity to authentic original documents of all documents submitted to us as photostatic copies or facsimiles;
- (b) assumed the accuracy of the records maintained at the Kent Land Titles Office and the Essex Land Titles Office where we have searched or inquired or have caused searches or inquiries to be conducted, as the case may be;
- (c) relied upon certificates of public officials as to matters of fact not stated herein and to have been assumed or independently verified or established by us;
- (d) assumed that all necessary corporate action has been taken by the Company to authorize the execution, delivery and performance by the Company of its obligations under the Security Documents;
- (e) assumed that the Security Documents have been duly executed and delivered; and
- (f) assumed that the Company was not insolvent or had not committed an act of bankruptcy as defined under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3, as amended, at the time it granted a charge and security interest to the Mortgagee in the Properties.

- (g) assumed that the Company had not committed an act of fraud and that the Properties were not the subject of a fraudulent transaction.

Qualifications and Limitations

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario, including the applicable federal laws of Canada, as currently applied and in force in Ontario;
- (b) we express no opinion as to whether the Company has good and marketable title to the Properties. However, the records of the Essex Land Titles Office for the Amherstburg Properties and the records of the Kent Land Titles Office for the Chatham Property indicate that 383301 Ontario Limited is the current owner of those Properties. The Thamesville Property remains in the registry system and therefore a full title search would be required to confirm the ownership. We have not conducted such title search;
- (c) we have not searched and express no opinion regarding the existence of any realty tax or water arrears, which arrears could constitute a charge on the Properties;
- (d) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion; and
- (e) save and except as specifically stated herein, we express no opinion as to the enforceability of the Security Documents.

Opinion

A) The Amherstburg Properties

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Amherstburg Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the Amherstburg Properties for a principal amount of \$2,465,000.00, subject only to:

- (i) the Company's rights of redemption under the Amherstburg Mortgage and otherwise at law or in equity;
- (ii) the items described in Schedule "B" hereto; and

- (iii) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

The Amherstburg Assignment of Rents is a continuing collateral security to the Mortgagee for payment by and fulfillment of the obligations of the Company pursuant to the Amherstburg Mortgage.

Please note that a general name search against 383301 Ontario Limited in the Essex Land Titles Office revealed that the Company owns other real properties that are not subject to any security in favour of the Mortgagee.

B) The Chatham Property

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Chatham Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the Chatham Property for a principal amount of \$2,466,000.00, subject only to:

- (iv) the Company's rights of redemption under the Chatham Mortgage and otherwise at law or in equity;
- (v) the items described in Schedule "C" hereto; and
- (vi) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

The Chatham Assignment of Rents is a continuing collateral security to the Mortgagee for payment by and fulfillment of the obligations of the Company pursuant to the Chatham Mortgage.

C) The Thamesville Property

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Thamesville Mortgage constitutes, as at the date of this opinion, a [first] priority, fixed and specific mortgage of and charge upon the Thamesville Property for a principal amount of \$2,466,000.00, subject only to:

- (vii) the Company's rights of redemption under the Thamesville Mortgage and otherwise at law or in equity;
- (viii) the items described in Schedule "D" hereto; and

- (ix) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

The Thamesville Assignment of Rents is a continuing collateral security to the Mortgages for payment by and fulfillment of the obligations of the Company pursuant to the Thamesville Mortgage.

This opinion is provided solely for the benefit of the addressee of this opinion in connection with the transaction described herein. This opinion may not be relied upon by or disclosed to anyone else or used for any other purpose, without our prior written consent.

Yours truly,

Ogilvy Renault LLP

SCHEDULE "A"

LEGAL DESCRIPTION

A) 7072 and 7084 Smith Industrial Drive, Amherstburg (Ontario)

PIN 01551-0050 (LT)

Parcel 18-1 Section 12M-237; Lot 18 Plan 12M-237; Amherstburg

PIN 01551-0048 (LT)

Parcel Plan-2 Section 12M-237; Lot 16 Plan 12M-237; Amherstburg

B) 14 Industrial Park Road, Chatham (Ontario)

PIN 00809-0016 (LT)

Part Lot 16, Concession 4, (Tilbury east), Parts 1, 3 & 5, Plan 24R-3477 Tilbury

C) 178 London Road, Thamesville (Ontario)

PIN 00723-0187 (R)

Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and Part of Lot 1, Plan 146, Part of Lot 14, Concession B, Geographic Township of Camden; Chatham Kent; may be subject to rights of owner of PIN 00723-0170

SCHEDULE "B"

TITLE QUALIFICATIONS FOR THE AMHERSTBURG PROPERTIES

A) COMMON QUALIFICATIONS TO PIN 01551-0050(LT) AND PIN 01551-0048(LT)

1. Instrument No. R831211 registered on March 30, 1981 is a Notice Agreement with The Corporation of the Township of Anderdon;
2. Instrument No. R1037755 registered on February 15, 1988 is a Notice of Subdivision Agreement with The Corporation of the Township of Anderdon;
3. Instrument No. LT113947 registered on April 18, 1989 is a Notice of Agreement (relating to Instruments No. R831211 and No. R1037755) with The Corporation of the Township of Anderdon;
4. Instrument No. CE272771 registered on May 15, 2007 is a Charge/Mortgage of Land in favour of C.D.L Recyclers Inc. for the principal amount of \$500,000.00;
5. Instrument No. CE273023 registered on May 16, 2007 is a Postponement of Interest from C.D.L. Recyclers Inc. in favour of the Bank of Montreal the rights of C.D.L. Recyclers Inc. as set out in Instrument No. CE272982 are postponed to the rights of the Bank of Montreal as set out in Instrument No. CE272771;
6. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
7. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
8. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
9. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the Amherstburg Properties and governing the ownership, use and development thereof;
10. Any actual or potential claims which have been or may be asserted against the Amherstburg Properties or any portion thereof by any native or aboriginal peoples;

11. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the Amherstburg Properties by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
12. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
13. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the Amherstburg Properties might disclose;
14. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
15. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the Amherstburg Properties is required in order to perfect a party's interest thereunder;
16. Any violation of the Planning Act; and
17. Any deficiency in the chain of title resulting in an escheat of title to the Amherstburg Properties.

B) QUALIFICATION SPECIFIC TO PIN 01551-0050(LT)

1. Instrument No. LT189303 registered on October 5, 1995 is a Notice Agreement between The Corporation of the Township of Anderdon and C.D.L. Recyclers Inc..

C) QUALIFICATION SPECIFIC TO PIN 01551-0048(LT)

1. Instrument No. CE18299 registered on July 15, 2003 is a Notice of Subdivision Agreement with The Corporation of the Township of Anderdon;

SCHEDULE "C"

TITLE QUALIFICATIONS FOR THE CHATHAM PROPERTY

1. Instrument No. 442637 registered on August 30, 1987 is an Agreement;
2. Instrument No. CK13620 registered on May 16, 2007 is a Charge/Mortgage of Land in favour of C.D.L. Recyclers Inc. for the principal amount of \$500,000.00;
3. Instrument No. CK13624 registered on May 16, 2007 is a Postponement of Interest from C.D.L. Recyclers Inc. in favour of the Bank of Montreal the rights of C.D.L. Recyclers Inc. as set out in Instrument No. CK13620 are postponed to the rights of the Bank of Montreal as set out in Instrument No. CK13553;
4. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
5. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
6. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
7. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the Chatham Property and governing the ownership, use and development thereof;
8. Any actual or potential claims which have been or may be asserted against the Chatham Property or any portion thereof by any native or aboriginal peoples;
9. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the Chatham Property by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
10. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;

11. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the Chatham Property might disclose;
12. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
13. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the Chatham Property is required in order to perfect a party's interest thereunder;
14. Any violation of the Planning Act; and
15. Any deficiency in the chain of title resulting in an escheat of title to the Chatham Property.

SCHEDULE "D"

TITLE QUALIFICATIONS FOR THE THAMESVILLE PROPERTY

1. Instrument No. 283053 registered on April 18, 1975, is a Transfer of a Right-of-Way for access over the northeasterly 16 feet of even perpendicular width from front to rear of Lot 6 on Plan 146 in the Village of Thamesville. This Right-of-Way is granted by Chatham Fabrics Limited in favour of the Thamesville Property owner. This Instrument does not constitute an encumbrance but rather a benefit in favour of the Thamesville Property;
2. Instrument No. 655845 registered on May 15, 2007 is a Charge/Mortgage of Land in favour of C.D.L. Recyclers Inc. for the principal amount of \$500,000.00;
3. Instrument No. 655857 registered on May 16, 2007 is a Postponement of Interest from C.D.L. Recyclers Inc. in favour of the Bank of Montreal wherein the rights of C.D.L. Recyclers Inc. as set out in Instrument No. 655845 are postponed to the rights of the Bank of Montreal as set out in Instrument No. 655841;
4. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
5. The provisions of the *Registry Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
6. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
7. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the Thamesville Property and governing the ownership, use and development thereof;
8. Any actual or potential claims which have been or may be asserted against the Thamesville Property or any portion thereof by any native or aboriginal peoples;
9. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the Thamesville Property by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;

10. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
11. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the Thamesville Property might disclose;
12. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
13. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the Thamesville Property is required in order to perfect a party's interest thereunder;
14. Any violation of the Planning Act; and
15. Any deficiency in the chain of title resulting in an escheat of title to the Thamesville Property.

**OGILVY
RENAULT**

LLP / SENCRL, s.r.l.

Direct Dial: (613) 780-8655
jpaquette@ogilvyrenault.com

Ottawa, November 24, 2008

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

Attention: Robert Kofman/Lana Bezner

Dear Sirs/Madam:

**RE: Lipel Investments Ltd.
Property located in Tilbury (Ontario)
Security in favour of Bank of Montreal**

We act as counsel for RSM Richter Inc. in its capacity as court-appointed monitor in Lipel Investments Ltd.'s (the "Company") proceedings under the *Companies' Creditors Arrangement Act*. We have been asked to provide an opinion with respect to certain security granted by the Company in favour of Bank of Montreal (hereinafter referred to as the "Mortgagee"). This opinion is provided to you in connection with certain real properties legally described in Schedule "A" and municipally known as 147 Queen Street North, Tilbury, Ontario (the "Property").

Security Documents Examined

In connection with this opinion, we have examined the following documents:

1. the Charge/Mortgage of Land in the principal amount of \$5,000,000.00 given by the Company in favour of the Mortgagee and registered on title to the Property on November 29, 1996, in Land Titles Office No. 12 (Essex) (the "Essex Land Titles Office"), as Instrument No. R1366582 (the FIRSTLY described lands) and in the Land Titles Office No. 24 (Kent) (the "Kent Land Titles Office"), as Instrument No. LT13282 (the SECONDLY described lands) (Instruments Nos. R1366582 and LT13282 are hereinafter collectively referred to as the "Mortgage"); and
2. the Instruments registered on title to the Property that we have deemed relevant to this opinion.

Barristers & Solicitors,
Patent Agents & Trade-mark Agents

Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, Ontario M5J 2Z4
Canada

Telephone (416) 216-4000
Fax (416) 216-3930

ogilvyrenault.com

DOCSOTT: 6862141

Toronto • Montréal • Ottawa • Québec • London

For the purpose of this opinion, documents listed above are collectively hereinafter referred to as the "Security Documents".

Searches Conducted

We have searched the registered title to the Property and have also obtained execution certificates as against the name Lipel Investments Ltd., dated October 31, 2008, that confirm that there are no writs of execution against such entities.

Other than as specifically set out herein, we have conducted no other searches or enquiries with respect to the Property and the opinions expressed herein are based solely on such searches and enquiries.

Assumptions and Reliances

For the purposes of the opinions expressed herein, we have (without independent investigation):

- (a) assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents delivered to us as original and the conformity to authentic original documents of all documents submitted to us as photostatic copies or facsimiles;
- (b) assumed the accuracy of the records maintained at the Kent Land Titles Office and the Essex Land Titles Office where we have searched or inquired or have caused searches or inquiries to be conducted, as the case may be;
- (c) relied upon certificates of public officials as to matters of fact not stated herein and to have been assumed or independently verified or established by us;
- (d) assumed that all necessary corporate action has been taken by the Company to authorize the execution, delivery and performance by the Company of its obligations under the Security Documents;
- (e) assumed that the Acknowledgement and Direction requisite to authorize the electronic registration of the Mortgage on title to the Property has been duly executed and delivered by the Company;
- (f) assumed that the Security Documents have been duly executed and delivered;
- (g) assumed that the Company was not insolvent or had not committed an act of bankruptcy as defined under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B-3, as amended, at the time it granted a charge and security interest to the Mortgagee in the Property; and

- (h) assumed that the Company had not committed an act of fraud and that the Property were not the subject of a fraudulent transaction.

Qualifications and Limitations

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario, including the applicable federal laws of Canada, as currently applied and in force in Ontario;
- (b) we express no opinion as to whether the Company has good and marketable title to the Property. However, the records of the Essex Land Titles Office and of the Kent Land Titles Office for the Property indicate that Lipel Investments Ltd is the current owner of the Property;
- (c) we have not searched and express no opinion regarding the existence of any realty tax or water arrears, which arrears could constitute a charge on the Property;
- (d) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion; and
- (e) save and except as specifically stated herein, we express no opinion as to the enforceability of the Security Documents.

Opinion

Based upon and subject also to the qualifications and limitations set forth herein, we are of the opinion that the Mortgage constitutes, as at the date of this opinion, a first priority, fixed and specific mortgage of and charge upon the Property for a principal amount of \$5,000,000.00, subject only to:

- (i) the Company's rights of redemption under the Mortgage and otherwise at law or in equity;
- (ii) the items described in Schedule "B" hereto; and
- (iii) the statutory priority accorded to liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks, if any, required to be retained by the owner under Part IV of that Act.

This opinion is provided solely for the benefit of the addressee of this opinion in connection with the transaction described herein. This opinion may not be relied upon by or disclosed to anyone else or used for any other purpose, without our prior written consent.

Yours truly,

Ogilvy Renault LLP

SCHEDULE "A"

LEGAL DESCRIPTION

FIRSTLY:

PIN 75075-0083 (LT)

Part of the north half of Lot 22, Concession 3, geographic township of Tilbury North, now in the Town of Lakeshore, County of Essex, designated as Part 1 on 12R-7484

SECONDLY:

PIN 00809-0013 (LT)

All of Lot 33 on Plan 791 and part of Lot 34 on Plan 791, designated as Parts 1 and 2 on 24R-3274, in the Town of Tilbury and Municipality of Chatham-Kent

SCHEDULE "B"

TITLE QUALIFICATIONS FOR THE PROPERTY

A) SPECIFIC QUALIFICATIONS TO PIN 75075-0083 (LT)

1. Instrument No. R449587 registered on September 10, 1969 is an Order made under the Planning Act designating certain areas (including the subject lands) subject to subdivision control; and
2. Instrument No. CE103742 registered on September 17, 2004 is a Transfer of Easement to The Corporation of the Municipality of Chatham-Kent.

B) SPECIFIC QUALIFICATIONS TO PIN 00809-0013 (LT)

1. Instrument No. 222520 registered on January 5, 1971 is an Transfer of Easement to the Public Utilities Commission of the Town of Tilbury for hydro transmission lines; and
2. Instrument No. 254098 registered on April 6, 1973 is a Transfer of Easement to Union Gas Limited for gas pipelines.

C) GENERAL QUALIFICATIONS FOR THE PROPERTY

1. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute;
2. The provisions of the *Land Titles Act* (Ontario) and the *Land Registration Reform Act* (Ontario), as applicable;
3. Liens for taxes, assessments, governmental charges or levies and water arrears due but not paid (if any);
4. All applicable municipal, provincial and federal statutes, bylaws, regulations or ordinances relating to the Property and governing the ownership, use and development thereof;

5. Any actual or potential claims which have been or may be asserted against the Property or any portion thereof by any native or aboriginal peoples;
6. Any information or encumbrances which might have been disclosed in the course of investigations or inspections of the Property by any governmental authority having jurisdiction, but which investigations and inspections were not, in fact, undertaken for the purposes of this opinion;
7. Any unregistered easements, rights-of-way or other unregistered interest or claims not disclosed by the registered title;
8. Any title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession indicated by the Reference Plan or which a survey of the Property might disclose;
9. Any rights of expropriation, access or user or any other right conferred or reserved by or in any statute of Canada or Ontario;
10. Any rights or easements that arise by law, other than by a written instrument in respect of which a registration against title to the Property is required in order to perfect a party's interest thereunder;
11. Any violation of the Planning Act; and
12. Any deficiency in the chain of title resulting in an escheat of title to the Property.

CLARK HILL
P.L.C.
ATTORNEYS AT LAW

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Suite 3500
Detroit, Michigan 48226-3435
Tel. (313) 965-8300 ■ Fax (313) 965-8252
www.clarkhill.com

November 24, 2008

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto, Ontario M5H 3T4
Attention: Robert Kofman/Lana Bezner

Re: Loans from Bank of Montreal to Windsor Machine and Stamping Limited;
opinion regarding Michigan personal property security as to guaranties of
Michigan entities

Ladies and Gentlemen:

We have acted as special Michigan (the "State") counsel to RSM Richter Inc., as Monitor of Windsor Machine & Stamping Limited and affiliated companies in connection with the *Companies' Creditors Arrangement Act* proceedings commenced in Canada on August 6, 2008.

In our examination we have assumed the genuineness of all signatures including endorsements, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies, and the authenticity of the originals of such copies. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon statements and representations of RSM Richter Inc., and its officers and other representatives and of public officials, including the facts and conclusions set forth therein.

In rendering the opinions set forth herein, we have examined and relied on copies of the following:

- (a) Guarantee for Indebtedness of an Incorporated Company by Windsor Machine Products, Inc., a Michigan corporation ("*Windsor*"), to Bank of Montreal dated October 22, 2002 (the "*Windsor Guaranty*");
- (b) Guarantee for Indebtedness of an Incorporated Company by Wayne Manufacturing, Inc., a Michigan corporation ("*Wayne*"), to Bank of Montreal dated October 22, 2002 (the "*Wayne Guaranty*");

- (c) Guarantee for Indebtedness of an Incorporated Company by WinMach, Inc., a Michigan corporation ("*WinMach*"), to Bank of Montreal dated October 22, 2002 (the "*WinMach Guaranty*");
- (d) Guarantor Security Agreement between Windsor and Bank of Montreal dated October 22, 2002 (the "*Windsor Security Agreement*");
- (e) Guarantor Security Agreement between Wayne and Bank of Montreal dated October 22, 2002 (the "*Wayne Security Agreement*");
- (f) Guarantor Security Agreement between WinMach and Bank of Montreal dated October 22, 2002 (the "*WinMach Security Agreement*");
- (g) certificates, dated October 2, 2002 and November 18, 2008, from the Director of the Bureau of Commercial Services of the Michigan Department of Labor and Economic Growth certifying the existence and good standing of Windsor Machine Products, Inc., in the State (collectively, the "*Windsor Good Standing*");
- (h) certificates, dated October 2, 2002 and November 18, 2008, from the Director of the Bureau of Commercial Services of the Michigan Department of Labor and Economic Growth certifying the existence and good standing of Wayne Manufacturing, Inc., in the State (collectively, the "*Wayne Good Standing*");
- (i) certificates, dated October 2, 2002 and November 18, 2008, from the Director of the Bureau of Commercial Services of the Michigan Department of Labor and Economic Growth certifying the existence and good standing of WinMach, Inc., in the State (collectively, the "*WinMach Good Standing*");
- (j) the financing statement recorded on April 8, 2008 as document number 2008053941-5 with the Michigan Department of State, Uniform Commercial Code Section listing Windsor, as Debtor, and Bank of Montreal, as Creditor (the "*Windsor Financing Statement*");
- (k) the financing statement recorded on April 8, 2008 as document number 2008053940-3 with the Michigan Department of State, Uniform Commercial Code Section listing Wayne, as Debtor, and Bank of Montreal, as Creditor (the "*Wayne Financing Statement*"); and
- (l) the financing statement recorded on April 8, 2008 as document number 2008053942-7 with the Michigan Department of State Uniform Commercial Code Section listing WinMach, as Debtor, and Bank of Montreal, as Creditor (the "*WinMach Financing Statement*").

We express no opinion as to the laws of any jurisdiction other the laws of the State, and expressly exclude federal law of the United States.


Windsor, Wayne and WinMach shall hereinafter be individually referred to as "Guarantor" and collectively as "Guarantors". The Windsor Guaranty, the Wayne Guaranty, and the WinMach Guaranty, shall hereinafter be referred to collectively as the "Guaranties". The Windsor Security Agreement, the Wayne Security Agreement, and the WinMach Security Agreement, shall hereinafter be referred to collectively as the "Security Agreements". The Windsor Financing Statement, the Wayne Financing Statement and the WinMach Financing Statement shall hereinafter be referred to collectively as the "Financing Statements". The Guaranties and the Security Agreements shall hereinafter be referred to collectively as the "Transaction Agreements." "State UCC" means the Uniform Commercial Code as in effect on the date hereof in the State (without regard to laws referenced in Section 9201 thereof). "Transaction UCC Collateral" means the Collateral (as such term is defined in the Security Agreements), to the extent the State UCC governs a security interest in such collateral.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. Based solely on our review of the certificates described in clause (g) above, Windsor: (a) was, as of the dates thereof, a corporation, validly existing and in good standing under laws of the State, and (b) had the statutory corporate power and authority to execute and deliver, and to perform all of its obligations under the Windsor Guaranty and the Windsor Security Agreement.
2. Based solely on our review of the certificates described in clause (h) above, Wayne: (a) was, as of the dates thereof, a corporation, validly existing and in good standing under laws of the State, and (b) had the statutory corporate power and authority to execute and deliver, and to perform all of its obligations under the Wayne Guaranty and the Wayne Security Agreement.
3. Based solely on our review of the certificates described in clause (i) above, WinMach: (a) was, as of the dates thereof, a corporation, validly existing and in good standing under laws of the State, and (b) had the statutory corporate power and authority to execute and deliver, and to perform all of its obligations under the WinMach Guaranty and the WinMach Security Agreement.
4. The Security Agreements are each in a form sufficient to create in favor of Bank of Montreal a security interest in the collateral described in the Security Agreement to the extent such a security interest can be created under the State UCC.
5. To the extent the State UCC is applicable to the authorization of financing statements, pursuant to the provisions of the Security Agreements, Windsor, Wayne and WinMach each authorized the filing of the Financing Statements for purposes of Section 9509 of the State UCC.
6. The Financing Statements include not only all of the types of information required by Section 9502(1) of the State UCC but also the types of information without which the Filing Office may refuse to accept the Financing Statements pursuant to Section 9516 of the

TAB F

**This is Exhibit "F" referred to in the affidavit
of Lionel Peltier, sworn before me
this 13th day of February, 2009**


A COMMISSIONER FOR TAKING AFFIDAVITS
Gerald E. Skillings

Severance of Employment

What constitutes severance

- 63. (1)** An employer severs the employment of an employee if:
- (a) the employer dismisses the employee or otherwise refuses or is unable to continue employing the employee;
 - (b) the employer constructively dismisses the employee and the employee resigns from his or her employment in response within a reasonable period;
 - (c) the employer lays the employee off for 35 weeks or more in any period of 52 consecutive weeks;
 - (d) the employer lays the employee off because of a permanent discontinuance of all of the employer's business at an establishment; or
 - (e) the employer gives the employee notice of termination in accordance with section 57 or 58, the employee gives the employer written notice at least two weeks before resigning and the employee's notice of resignation is to take effect during the statutory notice period. 2000, c. 41, s. 63 (1); 2002, c. 18, Sched. J, s. 3 (24).

Definition

- (2)** In subsections (2.1) to (2.4),

"excluded week" means a week during which, for one or more days, the employee is not able to work, is not available for work, is subject to a disciplinary suspension or is not provided with work because of a strike or lock-out occurring at his or her place of employment or elsewhere. 2002, c. 18, Sched. J, s. 3 (25).

Lay-off, regular work week

- (2.1)** For the purpose of clause (1) (c), an employee who has a regular work week is laid off for a week if,

- (a) in that week, the employee earns less than one-quarter the amount he or she would earn at his or her regular rate in a regular work week; and
- (b) the week is not an excluded week. 2002, c. 18, Sched. J, s. 3 (25).

Effect of excluded week

- (2.2)** For the purposes of clause (1) (c), an excluded week shall be counted as part of the period of 52 weeks. 2002, c. 18, Sched. J, s. 3 (25).

Lay-off, no regular work week

- (2.3)** For the purpose of clause (1) (c), an employee who does not have a regular work week is laid off for 35 or more weeks in any period of 52 consecutive weeks if for 35 or more weeks in any period of 52 consecutive weeks he or she earns less than one-quarter the average amount he or she earned per week in the period of 12 consecutive weeks that

preceded the 52-week period. 2002, c. 18, Sched. J, s. 3 (25).

Effect of excluded week

(2.4) For the purposes of subsection (2.3),

- (a) an excluded week shall not be counted as part of the 35 or more weeks, but shall be counted as part of the 52-week period; and
- (b) if the 12-week period contains an excluded week, the average amount earned shall be calculated based on the earnings in weeks that were not excluded weeks and the number of weeks that were not excluded. 2002, c. 18, Sched. J, s. 3 (25).

Resignation

(3) An employee's employment that is severed under clause (1) (e) shall be deemed to have been severed on the day the employer's notice of termination would have taken effect if the employee had not resigned. 2000, c. 41, s. 63 (3).

Entitlement to severance pay

64. (1) An employer who severs an employment relationship with an employee shall pay severance pay to the employee if the employee was employed by the employer for five years or more and,

- (a) the severance occurred because of a permanent discontinuance of all or part of the employer's business at an establishment and the employee is one of 50 or more employees who have their employment relationship severed within a six-month period as a result; or
- (b) the employer has a payroll of \$2.5 million or more. 2000, c. 41, s. 64 (1).

Payroll

(2) For the purposes of subsection (1), an employer shall be considered to have a payroll of \$2.5 million or more if,

- (a) the total wages earned by all of the employer's employees in the four weeks that ended with the last day of the last pay period completed prior to the severance of an employee's employment, when multiplied by 13, was \$2.5 million or more; or
- (b) the total wages earned by all of the employer's employees in the last or second-last fiscal year of the employer prior to the severance of an employee's employment was \$2.5 million or more. 2000, c. 41, s. 64 (2); 2001, c. 9, Sched. I, s. 1 (16).

Exceptions

(3) Prescribed employees are not entitled to severance pay under this section. 2000, c. 41, s. 64 (3).

Location deemed an establishment

(4) A location shall be deemed to be an establishment under subsection (1) if,

- (a) there is a permanent discontinuance of all or part of an employer's business at the location;
 - (b) the location is part of an establishment consisting of two or more locations;
- and

(c) the employer severs the employment relationship of 50 or more employees within a six-month period as a result. 2000, c. 41, s. 64 (4).

Calculating severance pay

65. (1) Severance pay under this section shall be calculated by multiplying the employee's regular wages for a regular work week by the sum of,

- (a) the number of years of employment the employee has completed; and
- (b) the number of months of employment not included in clause (a) that the employee has completed, divided by 12. 2000, c. 41, s. 65 (1).

Non-continuous employment

(2) All time spent by the employee in the employer's employ, whether or not continuous and whether or not active, shall be included in determining whether he or she is eligible for severance pay under subsection 64 (1) and in calculating his or her severance pay under subsection (1). 2000, c. 41, s. 65 (2).

Where employee resigns

(3) If an employee's employment is severed under clause 63 (1) (e), the period between the day the employee's notice of resignation took effect and the day the employer's notice of termination would have taken effect shall not be considered in calculating the amount of severance pay to which the employee is entitled. 2000, c. 41, s. 65 (3).

Termination without notice

(4) If an employer terminates the employment of an employee without providing the notice, if any, required under section 57 or 58, the amount of severance pay to which the employee is entitled shall be calculated as if the employee continued to be employed for a period equal to the period of notice that should have been given and was not. 2000, c. 41, s. 65 (4).

Limit

(5) An employee's severance pay entitlement under this section shall not exceed an amount equal to the employee's regular wages for a regular work week for 26 weeks. 2000, c. 41, s. 65 (5).

Where no regular work week

(6) For the purposes of subsections (1) and (5), if the employee does not have a regular work week or if the employee is paid on a basis other than time, the employee's regular wages for a regular work week shall be deemed to be the average amount of regular wages earned by the employee for the weeks in which the employee worked in the period of 12 weeks preceding the date on which,

- (a) the employee's employment was severed; or
- (b) if the employee's employment was severed under clause 63 (1) (c) or (d), the date on which the lay-off began. 2000, c. 41, s. 65 (6); 2002, c. 18, Sched. J, s. 3 (26).

In addition to other amounts

(7) Subject to subsection (8), severance pay under this section is in addition to any other amount to which an employee is entitled under this Act or his or her employment contract. 2000, c. 41, s. 65 (7).

Set-off, deduction

(8) Only the following set-offs and deductions may be made in calculating severance pay under this section:

1. Supplementary unemployment benefits the employee receives after his or her employment is severed and before the severance pay becomes payable to the employee.
2. An amount paid to an employee for loss of employment under a provision of the employment contract if it is based upon length of employment, length of service or seniority.
3. Severance pay that was previously paid to the employee under this Act, a predecessor of this Act or a contractual provision described in paragraph 2. 2000, c. 41, s. 65 (8).

Instalments

66. (1) An employer may pay severance pay to an employee who is entitled to it in instalments with the agreement of the employee or the approval of the Director. 2001, c. 9, Sched. I, s. 1 (17).

Restriction

(2) The period over which instalments can be paid must not exceed three years. 2000, c. 41, s. 66 (2).

Default

(3) If the employer fails to make an instalment payment, all severance pay not previously paid shall become payable immediately. 2000, c. 41, s. 66 (3).

Election re Recall rights**Where election may be made**

67. (1) This section applies if an employee who has a right to be recalled for employment under his or her employment contract is entitled to,

- (a) termination pay under section 61 because of a lay-off of 35 weeks or more;
- or
- (b) severance pay. 2000, c. 41, s. 67 (1).

Exception

(2) Clause (1) (b) does not apply if the employer and employee have agreed that the severance pay shall be paid in instalments under section 66. 2000, c. 41, s. 67 (2).

Nature of election

(3) The employee may elect to be paid the termination pay or severance pay forthwith or to retain the right to be recalled. 2000, c. 41, s. 67 (3).

Consistency

(4) An employee who is entitled to both termination pay and severance pay shall make the same election in respect of each. 2000, c. 41, s. 67 (4).

Deemed abandonment

(5) An employee who elects to be paid shall be deemed to have abandoned the right to be recalled. 2000, c. 41, s. 67 (5).

Employee not represented by trade union

(6) If an employee who is not represented by a trade union elects to retain the right to be recalled or fails to make an election, the employer shall pay the termination pay and severance pay to which the employee is entitled to the Director in trust. 2000, c. 41, s. 67 (6).

Employee represented by trade union

(7) If an employee who is represented by a trade union elects to retain the right to be recalled or fails to make an election,

(a) the employer and the trade union shall attempt to negotiate an arrangement for holding the money in trust, and, if the negotiations are successful, the money shall be held in trust in accordance with the arrangement agreed upon; and

(b) if the trade union advises the Director and the employer in writing that efforts to negotiate such an arrangement have been unsuccessful, the employer shall pay the termination pay and severance pay to which the employee is entitled to the Director in trust. 2000, c. 41, s. 67 (7).

Where employee accepts recall

(8) If the employee accepts employment made available under the right of recall, the amount held in trust shall be paid out of trust to the employer and the employee shall be deemed to have abandoned the right to termination pay and severance pay paid into trust. 2000, c. 41, s. 67 (8).

Recall rights expired or renounced

(9) If the employee renounces the right to be recalled or the right expires, the amount held in trust shall be paid to the employee and, if the right to be recalled had not expired, the employee shall be deemed to have abandoned the right. 2000, c. 41, s. 67 (9).

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 WINDSOR MACHINE
STAMPING LIMITED AND THE CORPORATIONS LISTED IN SCHEDULE "A"

Court File No: CV-08-7672-00CL

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

Proceeding commenced at Toronto

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RESPONDING MOTION RECORD

(Motions by Union for termination and severance pay
returnable February 24, 2009)

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