

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

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

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

Applicants

NOTICE OF MOTION

The applicants named in this application (collectively, the “**Applicants**” and, any one, an “**Applicant**”) will make a motion to a judge presiding on the Commercial List on Thursday, April 30, 2009 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

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

**THIS MOTION IS FOR:**

1. an order:
  - (a) abridging the time for service of the notice of motion and motion record and dispensing with further service;
  - (b) extending the Stay Period (the “**Stay Period**”), as defined in paragraph 17 of the Order of the Honourable Mr. Justice Campbell made in these proceedings on January 21, 2009 (the “**Initial Order**”), as extended by Orders of this Court made February 18, 2009, February 27, 2009, March 9, 2009, March 10, 2009, March 11, 2009 and March 31, 2009, until and including May 31, 2009;

- (c) authorizing and directing RSM Richter Inc., in its capacity as monitor of the applicants (the “**Monitor**”), to release to SKD Company from the proceeds of the asset sales approved by Order of the Court made April 3, 2009 (the “**Liquidation Proceeds**”), such amounts from time to time as may be necessary to permit payment by SKD Company of costs and expenses of the liquidation and wind down of SKD Company’s operations and assets for the period to and including May 31, 2009, in accordance with the May 31 Wind-down Cashflow Projections attached as Exhibit “B” to the Affidavit of John Chen sworn April 28, 2009;
  
- (d) authorizing and directing the Monitor to release from the Liquidation Funds, and authorizing and directing SKD Company to pay to Comerica, the outstanding loans and other Obligations (as defined in the revolving credit agreement between Comerica, the SKD Automotive Group, Limited Partnership, the Applicants and affiliated entities (collectively, the “**SKD Loan Parties**”)) made December 14, 2004, as subsequently amended (the “**Comerica Credit Agreement**”) owing to Comerica (the “**Senior Loan Portion**”), in defeasible and permanent repayment to Comerica of the Senior Loan Portion, but not in repayment any portion of any indebtedness and obligations of the SKD Loan Parties to Comerica in respect of subordinated participations purchased by the Customers (defined below) and General Motors Corporation (“**GM**”) under the Amended and Restated Subordination Participation Agreement dated January 21, 2009, as amended (the indebtedness relating to such subordinated participations being hereafter referred to as the “**Customer Participation Loan Portion**”);
  
- (e) declaring that nothing in the order shall:
  - (i) terminate or otherwise impair any other obligations of the SKD Loan Parties to Comerica;
  
  - (ii) affect the obligations of the SKD Loan Parties in relation to the Customer Participation Loan Portion; or

- (iii) determine or affect any subrogation issues that may exist in favour of any of the SKD Loan Parties against any other of the SKD Loan Parties, including without limitation, under the Additional Participations and Allocation Agreement dated as of January 21, 2009;
  - (f) authorizing the CCAA Parties to enter into and approving a Fourth Amendment to the Forbearance Agreement (defined below);
  - (g) approving the report to be filed by the Monitor in relation to this motion (the “**Seventh Report**”) and the actions and activities of the Monitor as reported therein.
2. such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

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

- (c) on January 21, 2009 the Applicants commenced an application under the *Companies' Creditors Arrangement Act* (the "CCAA") and on that date obtained the Initial Order of this Honourable Court;
- (d) by Orders of this Honourable Court dated February 18, 2009, February 27, 2009, March 9, 2009, March 10, 2009, March 11, 2009 and March 31, 2009, the Stay Period as defined in the Initial Order was extended until and including April 30, 2009;
- (e) SKD Company is a co-borrower under the Comerica Credit Agreement, pursuant to which Comerica provided working capital financing to the SKD Group;
- (f) under the Initial Order, SKD Company was authorized to enter into a forbearance agreement with Comerica (the "**Forbearance Agreement**"), and a multi-party customer agreement (the "**Accommodation Agreement**") with Comerica and the Customers which provided, among other things, for the provision of additional funding to permit SKD Company to continue production of component parts for the Customers, which funding was made available to the SKD Borrowers through the purchase by the Customers and GM of subordinated participations in the Comerica Facility pursuant to the Subordinated Participation Agreement;
- (g) to facilitate the extensions of the Stay Period, SKD Company has been authorized by Orders of this Court to enter into agreements amending the Forbearance Agreement and the Accommodation Agreement;
- (h) the Third Forbearance Amending Agreement approved by Order of the Honourable Mr. Justice Morawetz dated April 3, 2009 obligates the Applicants to repay the Senior Loan Portion to Comerica by April 30, 2009;
- (i) the Liquidation Proceeds held by the Monitor are sufficient to permit the release to SKD Company of the amounts described above;

- (j) the Applicants are seeking a further extension of the Stay Period to May 31, 2009, to permit them to proceed with the arrangements for the orderly liquidation of their remaining assets and to preserve their business and property in the interim;
- (k) the further amendments to the Forbearance Agreement contemplated by the Fourth Amendment to the Forbearance Agreement are necessary in order to facilitate the further extension of the Stay Period to May 31, 2009;
- (l) the Applicants have been acting in good faith and with due diligence in fulfilling their obligations under the Initial Order and the subsequent Orders made by this Honourable Court;
- (m) it is believed to be in the best interests of the creditors and other stakeholders of the CCAA Parties for the requested extension of the stay of proceedings to be granted by this Honourable Court;
- (n) pursuant to paragraph 27 of the Initial Order, RSM Richter Inc. was appointed as Monitor. The rights and obligations of the Monitor are detailed in paragraph 28 of the Initial Order. It is anticipated that the Monitor will file the Fourth Report with this Honourable Court in relation to the extension of stay proceedings being sought and detailing the actions and activities of the Monitor since the date of its last report to this Honourable Court;
- (o) paragraph 53 of the Initial Order permits the Applicants to serve any motion materials in these proceedings by means of, among other methods, facsimile or electronic transmission;
- (p) the provisions of the CCAA, and in particular s.11 thereof, and the inherent and equitable jurisdiction of this Honourable Court;
- (q) Rules 2.03, 3.02, 37 and 60.11 of the *Ontario Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 of the *Ontario Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended; and

- (r) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the affidavit of John Chen sworn April 28, 2009, and the exhibits attached thereto;
2. the Report of RSM Richter Inc. as the proposed Monitor, and the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report and the Seventh Report of RSM Richter Inc., as Monitor; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

Dated: April 28, 2009

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**TO: See Service List Attached**

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Court File No. 09-CL- 7960

*ONTARIO*

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COMMERCIAL LIST**

Proceeding commenced at TORONTO

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