

**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

**SECOND SUPPLEMENTARY MOTION RECORD**

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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  
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Applicants

NOTICE OF RETURN OF MOTION

TAKE NOTICE that the motion which was originally returnable on Thursday, April 30, 2009, and which was adjourned in part by Justice Campbell on Thursday April 30, 2009 with respect to the relief set out in paragraphs 1(d)(e) and (f) the Notice of the Motion of the Applicants served April 28, 2009, will be heard by Justice Campbell on Wednesday, May 6, 2009 at 2:00 p.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

Dated: May 4, 2009

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IN THE MATTER OF THE COMPANIES' CREDITORS  
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
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Applicants

Court File No. 09-CL- 7960

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

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**NOTICE OF RETURN OF MOTION**

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# TAB 2

*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

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Applicants

AFFIDAVIT OF JOHN CHEN

I, **John Chen**, of the City of Birmingham, in the State of Michigan, U.S.A.  
MAKE OATH AND SAY:

INTRODUCTION

1. I am the President of the Applicant, NMC Canada Inc. ("**NMC**"), and as such have knowledge of the matters to which I hereinafter depose, except where otherwise stated to be on the information and belief of others, in which case I verily believe them to be true.
2. SKD Company, and its partners, NMC, and 2515080 Nova Scotia Company ("**2515080**"), are part of a group of affiliated corporations and partnerships (the "**SKD Group**") that until recently were carrying on business in Canada, the United States and Mexico. The SKD Group also includes SKD Automotive Group, Limited Partnership ("**SKD AG**"), SKD, L.P., SKD Holding L.P. ("**SKD Holding**"), SKD de Mexico, S. de R.L. de C.V. ("**SKD Mexico**"), EASSA Mexico, S. de R.L. de C.V. ("**EASSA**") and, together with NMC, 2515080, SKD, L.P., SKD Holding and SKD Mexico, the "**Guarantors**").
3. SKD Company and SKD AG (the "**Borrowers**", and together with the Guarantors, the "**SKD Loan Parties**") are co-borrowers under a revolving credit agreement among Comerica

and SKD Company (as Canadian borrower), SKD AG (as U.S. Borrower) and the Guarantors made December 14, 2004, as subsequently amended (the "**Comerica Credit Agreement**"). Pursuant to the Comerica Credit Agreement, Comerica provided working capital financing (the "**Revolving Facility**") to the SKD Group through loans made to the SKD Borrowers.

4. In addition to being a co-borrower under the Comerica Facility with SKD AG, SKD Company has guaranteed the indebtedness of SKD AG to Comerica and SKD AG has guaranteed the indebtedness of SKD Company to Comerica.

5. SKD Company's obligations to Comerica are secured by security agreements granted by SKD Company and the Applicants dated December 14, 2004, covering all of the present and after acquired personal property and undertaking of SKD Company and the Applicants, as well as real property charges against the lands and premises municipally known as 38-40 Holtby Avenue, Brampton, Ontario and 375 Wheelabrator Way, Milton, Ontario. Comerica also holds security against the property and assets of SKD, L.P., SKD Holding and SKD AG.

6. Concurrent with the commencement of this proceeding, the SKD Loan Parties had negotiated the terms of a forbearance agreement with Comerica, which agreement (the "**Forbearance Agreement**") was approved by this Court in the Initial Order made on January 21, 2009 (the "**Initial Order**"). The Forbearance Agreement has been amended and extended by subsequent amending agreements, the most recent of which was approved by this Honourable Court on April 3, 2009. Pursuant to the forbearance arrangements with Comerica to and including March 31, 2009, Comerica agreed, in its discretion, to make available advances to the SKD Borrowers under the Comerica Facility, but only within certain agreed upon borrowing limits. This restriction did not fully satisfy the funding needs of SKD Company in order for it to maintain operations for the Customers. As a result, the SKD Group required additional funding from another source.

7. At the commencement of this proceeding, in recognition of the fact that additional funding was required by the SKD Group in order to permit it to continue to operate for a period of time to facilitate the production of component parts for the Customers in the U.S. and Mexico, and for the Customers other than GM in Canada, the Customers agreed to provide funding in accordance with certain accommodation agreements agreed to between the applicable SKD

Group operating entities, the applicable Customers and Comerica. The accommodation agreement relating to Canada was approved by this Honourable Court pursuant to the Initial Order.

8. The Customers were willing to provide operations funding, provided that such funding was made on a secured basis. The SKD Group conducted operations in the U.S. and Mexico and in Canada through different business entities. The SKD Group operating entities owned their own property and assets, contracted separately and had different groups of creditors. Prior to the commencement of this proceeding, borrowings under the Revolver Facility were undertaken by SKD AG for the operations of SKD, L.P. and SKD Mexico, and by SKD Company for the operations of SKD Company.

9. In agreeing to new funding arrangements, the SKD Loan Parties had two requirements. The first was the ability to allocate the obligations under the Revolver Facility as between the Borrowers, in order that Comerica be repaid indebtedness under the Revolver Facility attributable, in the case of loans made to SKD AG, from the proceeds of collateral owned by SKD AG and the Guarantors organized in the United States (the "**U.S. Collateral**"); and, in the case of loans made to SKD Company, from the proceeds of collateral owned by SKD Company and the Guarantors organized in Canada (the "**Canadian Collateral**"). The second requirement was that any new loans made by the Customers be allocated as between the United States and Mexico, on the one hand, and Canada, on the other.

10. In this context, it was agreed by the SKD Loan Parties, Comerica and the Customers, that the additional funding to be provided by the Customers would be facilitated through the purchase by the Customers of participations subordinated to the loans of Comerica. (The loans to Comerica are referenced herein as the "**Senior Loans**", and the loans made by the Customers through the purchase of subordinated participations ("**Participations**") under the Comerica Facility are referenced herein as the "**Subordinated Customer Loans**".) It was further agreed between the SKD Loan Parties and the Customers that issues regarding subrogation and allocation of the Senior Loans and the Subordinated Customer Loans would be dealt with pursuant to a separate agreement between those parties, to which Comerica was not, of its own accord, a party.

## **SUBORDINATED PARTICIPATION AGREEMENT**

11. Pursuant to the terms of an Amended and Restated Subordinated Participation Agreement dated January, 21, 2009, as amended by agreement effective as of March 1, 2009 (the "**Subordinated Participation Agreement**"), the Customers agreed to purchase the Participations. Copies of these agreements are attached as Exhibits "A" and "B" to this Affidavit.

12. Paragraph 7 of the Subordinated Participation Agreement provides as follows:

7. To the extent that the Participants are entitled to receive any payment on account of the Participation under this Agreement after payment in full of the senior obligations of the Borrowers to the Lender (as described above), such payment shall be paid to a disbursing agent for disbursement under a separate agreement entered into among the Participants and the Borrowers. That separate agreement will address, as among the parties to that agreement, the application of U.S. and Canadian proceeds and the provision for payment of the non-intercompany claims. Participants and Borrowers will identify the disbursing agent by joint notice to Lender.

## **ADDITIONAL PARTICIPATIONS AND ALLOCATION AGREEMENT**

13. In connection with the Subordinated Participation Agreement, Comerica, the Borrowers, the Guarantors and the Customers entered into an Additional Participations and Allocation Agreement dated January 21, 2009, as amended by agreement effective as of March 1, 2009 (the "**APAA**"), which sets forth certain requirements for the distribution of the proceeds of the collateral of SKD Company and SKD AG. A copy of the APAA, as amended, is attached as Exhibit "D" to the Affidavit of Christopher Garrah sworn April 30, 2009.

14. The following are extracts from page two of the APAA:

**Allocation of Loans and Proceeds from Collateral.** The Borrowers and the Participants have requested that the Lender allocate the outstanding amounts under the Revolving Facility (as defined in the Loan Documents) between the Borrowers in accordance with the Loans actually made to each respective Borrower and that, in furtherance thereof, the Lender would recover (a) amounts loaned to SKD Company, first from proceeds of the collateral owned by SKD

Company and the Guarantors organized in Canada (the "Canadian Collateral") and (b) amounts loaned to Automotive, first from proceeds of the collateral owned by Automotive and the Guarantors organized in the United States or Mexico (the "U.S. Collateral"); provided that, if the Lender receives payment from or attributable to proceeds of U.S. Collateral that exceeds the amount outstanding under the Revolving Facility that was attributable or loaned to Automotive (including interest and other Liabilities related thereto), the Lender may hold such excess amounts in a segregated cash collateral account without applying such amounts to reduce the loans to SKD Company (including interest and other Liabilities related thereto). In the event that the Lender does not agree to the allocation of the Loans and proceeds of collateral between Automotive and SKD Company as described in this paragraph, and if the Lender is repaid with proceeds from U.S. Collateral to satisfy loans to SKD Company, then Automotive and each U.S. Guarantor under the Loan Documents, including but not limited to SKD, L.P., shall be subrogated to the rights of the Lender to collect from SKD Company the amounts that were paid to the Lender from proceeds of U.S. Collateral to satisfy the loans to SKD Company (including interest and other Liabilities related thereto).

To the extent that the Participants are entitled to receive any payment on account of the Senior Participations under the Participation Agreement after satisfaction of the senior obligations of the Borrowers to the Lender (as described in the immediately preceding paragraph), such payment shall be paid, pursuant to section 7 of the Participation Agreement, to a disbursing agent to be distributed in the following manner...(emphasis added)

15. Pursuant to the APAA, "**Senior Participations**" are the undivided subordinated interests purchased by Participants (defined as "Participations") purchased to provide the funding required pursuant to the accommodation agreements, together with the additional Participations (defined as "Non-Go Forward Employee Participations") purchased to fund payments under an existing retention plan for employees who would not maintain continued employment.

16. The APAA also provides a mechanism (the “**Waterfall**”) for the payment of the proceeds remaining after repayment of the Senior Loans. Pursuant to the Waterfall, to the extent that Participants are entitled to receive any payment on account of the Senior Participations after satisfaction of the Senior Loans, such payment is to be paid, pursuant to section 7 of the Participation Agreement, to a disbursing agent to be distributed in the following manner:

- (i) First, to each Participant in accordance with the Respective Percentages (as defined in the Subordination Agreement); provided that (x) with respect to the portion of the Respective Percentages of the Senior Participation of each Participant that was used to fund loans to SKD AG (the “**U.S. Participant Portion**”), each Participant shall be limited to recovering their U.S. Participant Portion amounts from proceeds of U.S. Collateral and (y) with respect to the portion of the Respective Percentages of the Senior Participation of each Participant that was used to fund loans to SKD Company (the “**Canadian Participant Portion**”), each Participant shall be limited to recovering their Canadian Participant Portion amounts from the proceeds of Canadian Collateral;
- (ii) Second, in the event that there are insufficient proceeds from Canadian Collateral to satisfy the amounts owed to the Participants as described in clause (i)(y) above, thereby leaving certain Canadian Participant Portion amounts unpaid (the “**Canadian Participants Deficiency**”), 50% of the Canadian Participants Deficiency shall be paid to the Participants in accordance with their Respective Percentages from proceeds of U.S. Collateral;
- (iii) Third, to holders of unsecured, third party vendor claims against SKD, L.P. (excluding (x) any unpaid Canadian Participants Deficiency, if applicable, and (y) holders of unsecured intercompany claims referenced in (iv)(y) below) from proceeds of U.S. Collateral in the aggregate amount not to exceed \$4 million;

- (iv) Fourth, with respect to any remaining proceeds of U.S. Collateral, pro rata amounts shall be distributed between (x) holders of unsecured intercompany claims against SKD, L.P. described on Exhibit 2 to the APAA as of December 31, 2008, and (y) Participants in their Respective Percentages of any unpaid Canadian Participants Deficiency if applicable, as if the unpaid Canadian Participants Deficiency were unsecured; and
- (v) Fifth, to the holders of all remaining intercompany claims against SKD, L.P.

17. Paragraph 1 of the March 1, 2009 amendment to the APAA (the "**March APAA Amendment**") provides that additional language shall be inserted in the APAA pursuant to which the Participants "agreed to purchase additional participations under the Participation Agreement to fund continued production by SKD Company following February 27, 2009". In relation to Participations purchased following February 27, 2009 (referenced in the March APAA Amendment as the March 2009 Participations, and referenced herein as the "Post February Participations"), each Participant further agreed to waive and not to assert any rights to recover any portion of the Post February Participations from any assets other than the Canadian Collateral. As of March 1, 2009, the assets of the U.S. and Mexican SKD operating entities had been sold, and the funding required from Customers from that time forward only related to continued production by SKD Company.

18. In addition, an accommodation was agreed to by the Customers other than GM in favour of GM, which had no continuing need for continued production from the SKD Group. Under the March 1, 2009 amendment to the APAA, the Customers agreed that, to the extent that the dollar amount of the recovery of GM's Respective Percentage was prejudiced by the continuing operations of SKD Company from March 11, 2009 to March 31, 2009, GM would be entitled to recover its Respective Percentage of the U.S. Participant Portion prior to the payment to any other Customer from the proceeds of the U.S. Collateral.

19. To facilitate these results, sections (i), (ii) and (iv) of the Waterfall were amended to readjust the payment provisions, which amendments can be summarized as follows:




- (i) First, to each Participant in accordance with the Respective Percentages (as defined in the Subordination Agreement); provided that (x) with respect to the portion of the Respective Percentages of the Senior Participation of each Participant that was used to fund loans to SKD AG (the "U.S. Participant Portion"), each Participant shall be limited to recovering their U.S. Participant Portion amounts from proceeds of U.S. Collateral and (y) with respect to the portion of the Respective Percentages of the Senior Participation of each Participant that was used to fund loans to SKD Company (the "Canadian Participant Portion"), each Participant shall be limited to recovering their Canadian Participant Portion amounts from the proceeds of Canadian Collateral; provided, further, to the extent that the dollar amount of the recovery of GM's Respective Percentage of the U.S. Participant Portion is prejudiced by the operation of the Canadian business during the period from March 11, 2009 to March 31, 2009, GM's Respective Percentage of the U.S. Participant Portion shall be paid in full from the proceeds of the U.S. Collateral prior to any payment to any other Participant from the proceeds of the U.S. Collateral.
  
- (ii) Second, to the extent that the Senior Participations, other than the Post February Participations, exceed the proceeds of the Canadian Collateral (the "Canadian Participants Deficiency"), 50% of the Canadian Participants Deficiency shall be paid to the Participants in accordance with their Respective Percentages from proceeds of U.S. Collateral;
  
- (iv) Fourth, with respect to any remaining proceeds of U.S. Collateral, pro rata amounts shall be distributed between (x) holders of unsecured intercompany claims against SKD, L.P. described on Exhibit 2 to the APAA as of December 31, 2008, and (y) Participants in their respective Percentages of any unpaid Canadian Participants Deficiency if applicable (for the avoidance of doubt, excluding any unpaid Post February

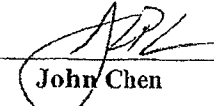
Participations), as if the unpaid Canadian Participants Deficiency was unsecured.

20. As can be seen from the foregoing, there are many factual issues requiring determination prior to the disbursement to Customers of any amounts in respect of the Subordinated Customer Loans, whether from proceeds of the Canadian Collateral or the U.S. Collateral, including the issue of the allocation of the Senior Loans as among the Borrowers, and the related issue of any rights of subrogation preserved to SKD AG and the U.S. Guarantors under the APAA.

21. I understand that the financial advisors to the SKD Group, Conway MacKenzie, Inc., have prepared an analysis of the allocation of the Senior Participations after repayment of the Senior Loans, and are working with the Monitor to prepare information to be provided to the Customers, to assist in moving forward with distributions to the Participants in accordance with the APAA. However, it is not expected that the necessary work can be completed in order that these issues can be resolved by May 6, 2009. In the interim, therefore, an order is sought to defer payment of the Subordinated Customer Loans.

SWORN BEFORE ME at the )  
City of )  
in the State of )  
this 5 day of May, 2009 )

  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
John Chen

LYNDA SANDS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF MACOMB  
My Commission Expires Oct. 24, 2012  
Acting in the County of Macomb

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

Court File No: 09-CL-7960

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

LYNDA SANDS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF MACOMB  
My Commission Expires Oct. 24, 2012  
Acting in the County of **MACOMB**

**AFFIDAVIT OF JOHN CHEN**

**LANG MICHENER LLP**

Barristers and Solicitors  
Brookfield Place, P.O. Box 747  
Suite 2500, 181 Bay Street  
Toronto, Ontario M5J 2T7

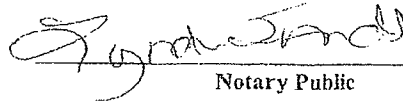
Sheryl E. Seigel (LSUC #21850H)  
Tel: (416) 307-4063  
Fax: (416) 365-1719  
E-mail: sseigel@langmichener.ca

John S. Contini (LSUC #30610B)  
Tel: 416-307-4148  
Fax: (416) 365-1719  
E-mail: jcontini@langmichener.ca

Lawyers for the Applicants

# TAB A

This is Exhibit "A" referred to in the  
affidavit of John Chen  
sworn before me, this  
5 day of May, 2009

  
\_\_\_\_\_  
Notary Public

LYNDA SANDS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF MACOMB  
My Commission Expires Oct. 24, 2012  
Acting in the County of Macomb

**AMENDED AND RESTATED  
SUBORDINATED PARTICIPATION AGREEMENT**

Subordinated Participation Agreement ("Agreement") dated January 21, 2009, among Comerica Bank ("Lender"), General Motors Corporation ("GM"), Ford Motor Company ("Ford"), Chrysler LLC ("Chrysler"), Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, "Honda") (Honda, collectively with GM, Ford, and Chrysler, the "Participants," and each individually, a "Participant").

**RECITALS:**

A. Lender has various loans and other financial accommodations outstanding to SKD Automotive Group, Limited Partnership ("Automotive") and SKD Company ("SKD," together with Automotive, "Borrowers"), all or part of which loans are guaranteed by 2515080 Nova Scotia Company; NMC Canada, Inc.; Eassa Mexico, S. De R.L. De C.V.; SKD De Mexico, S. De R.L. De C.V.; SKD, L.P.; and SKD Holdings, L.P. (collectively, "Guarantors"), under various other loan and collateral documents, as amended ("Loan Documents"). References to Borrowers include Borrowers as debtors in any Canadian or U. S. CCAA or bankruptcy proceedings. Capitalized terms not defined in this Agreement are defined in the Loan Documents.

B. Participants have agreed in accordance with the terms and conditions of this Agreement to purchase from Lender for cash, at par, undivided subordinated interests (each a "Participation") in the Loans (defined below). The Participation amount will be included as a component of the borrowing base under and as limited by, the terms of the Loan Documents and this Agreement.

C. This Agreement amends and restates a Subordinated Participation Agreement among the parties dated January 12, 2009.

The parties agree as follows:

Terms and Conditions

1. From time to time, and as and when required under an Accommodation Agreement (or prior interim agreements) among the parties and Borrowers, Lender agrees to sell and each of the Participants absolutely and unconditionally agrees to purchase, by the payment of immediately available funds, a Participation in accordance with the percentages as agreed among the Participants in the prior interim agreements and/or respective accommodation agreements, as applicable ("Respective Percentages") (each such purchase will be a Participation). Lender will update the Schedule of Subordinated Participations attached as Exhibit I as new Participations are purchased. The obligations of the Participants shall be several and not joint. Borrowers and Participants are parties to a separate agreement (the "Additional Participations and Allocation Agreement") that requires Participants to purchase additional Participations under certain circumstances. Although Lender is not a party to and is

not bound by the Additional Participations and Allocation Agreement, Lender agrees to sell the additional Participations.

2. Effective as of the date of each payment by a Participant in good funds, Lender sells and grants to such Participant, and each such Participant making a payment accepts from Lender, an undivided, subordinated participation in the Loans equal to the amount of each payment.

3. (a) Without further action by Lender, execution and delivery of this Agreement and receipt by Lender of a payment for a Participation shall constitute a sale and purchase of a Participation and shall confer on the Participants with respect to the Participation, except as provided below, interests in the Loans made by Lender to Borrowers and, through Lender, in all the rights and benefits of Lender under the provisions of the Loan Documents as they relate to the Loans, including any and all support and collateral security for the Loans.

(b) The interest of Participants in the Loans shall in all respects be subject and subordinate to the rights of Lender in the balance of the Loans and shall be subject further to the limitations provided below.

(c) Lender shall have the right to apply payments of any kind from any source, including the proceeds of any collateral security, to Lender's interest in the Loans, or any other present or future obligations of Borrowers to Lender in the Loans, including all fees, costs and expenses due to Lender from Borrowers, whether or not allowable under 11 U.S.C. § 506(b) (or Canadian law), and including any and all indebtedness, obligations or liabilities for which Borrowers would otherwise be liable to Lender under or in connection with the Loan Documents were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason, in any manner in Lender's sole and unfettered discretion, before making any payment(s) to Participants, any other participants or other lender on account of the Loans.

(d) "Loans" means:

- (i) the outstanding principal balance of all Liabilities of Borrowers to Lender including any advances made in the future and all other amounts due or to become due to Lender under the Loan Documents, including without limitation any obligations guaranteed by either of the Borrowers;
- (ii) all reimbursement obligations and fees with respect to any letters of credit;
- (iii) all accrued and unpaid interest and fees due by Borrowers to Lender on account of the above described loans, whether or not allowable under 11 U.S.C. § 506(b) (or Canadian law);
- (iv) all expenses and costs arising from or related to the financing arrangements among Borrowers, Guarantors, and Lender, the Loan Documents, and/or any collateral security, including but not limited to, all charges, attorneys' fees and costs called for by the Loan Documents, whether or not allowable under 11 U.S.C. § 506(b) (or Canadian law); and

- (v) any other amounts due from Borrowers or Guarantors or any of them, including without limitation, overdrafts, protective advances of any nature, interest rate hedges, etc.

4. Lender shall have the right to manage, perform, and enforce the terms of the Loan Documents and to exercise and enforce all of the privileges and rights exercisable by it under the Loan Documents, in its sole discretion, without the concurrence of Participants, including the right to amend the Loan Documents, to amend, modify, waive, terminate, or release any of the obligations of Borrowers or any Guarantor or to release any collateral securing the Loans. Notwithstanding the foregoing, Lender agrees that it shall not, without the prior written consent of the Participants, (a) release the Borrowers from their obligations with respect to the Participants' interests in the Loans or reduce the principal amount of the Borrower's obligations with respect to the Participants' interests in the Loans, or (b) after the Lender's senior portion of the Loans has been irrevocably paid in full, release any collateral securing the Loans or any obligations of the Guarantors. This Agreement shall not be construed to create a fiduciary relationship between Lender and Participants. Participants acknowledge and agree that Lender's actions under this Agreement are strictly administrative and any repayment of principal or interest to any Participant is solely dependent upon Borrowers. Except for willful misconduct or actual fraud, Participants exonerate Lender of and from any obligation or liability, express or implied, for any loss, depreciation of or failure to realize upon the Loans, or any collateral securing the Loans, or for failure to collect or receive payments of any sums owing from Borrowers or any Guarantor, or for any mistake, omission, or error of judgment in passing upon or accepting the Loans, the collateral, if any, the Loan Documents, or in making of any advances of monies or extensions of credit to Borrowers, or in making any examinations, audits or reviews of the affairs of Borrowers, or in granting to Borrowers extensions of time for payment of the Loans or in administering or monitoring the collateral for the Loans. Moreover, Lender does not assume and does not have any obligation or liability and Lender undertakes no guaranties, express or implied, with respect to the existing or future financial worth or responsibility of Borrowers, Guarantors or of any of the account debtors of Borrowers, or of any other guarantors of Borrowers' obligations, with respect to the genuineness or value of the collateral, or with respect to the payment or the collectibility of the Loans.

5. Participants shall not be entitled to any monies received by Lender in accordance with the provisions of the Loan Documents, whether directly or indirectly from the sale or liquidation of any collateral or otherwise in reduction of their Participation unless and until Lender's portion of the Loans have been irrevocably repaid in full and all other costs, expenses, consultant fees, and attorneys' fees of Borrowers to Lender have been irrevocably paid in full and Lender's loan commitments to Borrowers, if any, have been terminated. If at any time prior to written notice by Lender to Participants that Lender's portion of the Loans has been irrevocably paid in full (as described in the previous sentence) Participants shall receive from any source whatsoever (whether by direct remittance, setoff, recoupment, foreclosure of security interest, or otherwise) any payment on the Loans, Participants will hold such payment in trust for Lender and promptly pay over to Lender such payment in the form received with any necessary endorsements. Lender shall have the right, in its sole and absolute discretion, to hold funds collected on account of the Loans and not remit them to Participants, even if Lender's senior portion of the Loans has been paid, in the event Lender believes that the possibility exists that it will be required to defend claims or disgorge for any reason any amounts paid to Lender or that



Lender will incur additional Loans (including attorney fees or other expenses). If any amount is paid to any Participant on the Loans prior to irrevocable payment in full of Lender's senior portion of the Loans, it shall be deemed to be held in trust for the benefit of Lender, and such Participant shall immediately pay such amount over to Lender. If Lender is required to disgorge any amounts it has received on account of the Loans, Participants shall immediately reimburse Lender for the amount that Lender was required to disgorge, limited to the amount of distributions received by Participants on account of the Loans.

6. Interest on the Participation outstanding from time to time shall accrue at the interest rate(s) provided under, and shall otherwise be calculated in accordance with, the Loan Documents but shall not be paid by Borrowers to Lender (or to Participants by either Borrowers or Lender) unless and until the senior obligations of Borrowers to Lender (as described above) have been irrevocably paid in full. Accordingly, until all of Borrowers' senior obligations to Lender with respect to Lender's portion of the Loans (as described above) have been paid, Participants shall receive no payments of interest regarding the Participation.

7. To the extent that the Participants are entitled to receive any payment on account of the Participation under this Agreement after payment in full of the senior obligations of the Borrowers to the Lender (as described above), such payment shall be paid to a disbursing agent for disbursement under a separate agreement entered into among the Participants and the Borrowers. That separate agreement will address, as among the parties to that agreement, the application of U.S. and Canadian proceeds and the provision for payment of the non-intercompany claims. Participants and Borrowers will identify the disbursing agent by joint notice to Lender.

8. Participants represent to Lender that they accept (and are able to bear) the financial risks inherent in the Participation and do not foresee the occurrence of any event that would alter that ability. Further, Participants accept the full risk of nonpayment of the Participation and agree that Lender shall not be responsible for the performance or observance by Borrowers (or any Guarantor) of any of the terms, covenants, or conditions of the Loan Documents.

9. Participants further acknowledge that the Participation is being made at their request and is the purchase of an undivided, subordinated interest in an ordinary debt and related collateral security, if any, and is not and shall not be construed to be a "security" as that term is defined under any applicable state, provincial or federal securities laws.

10. Participants acknowledge that they had an opportunity to make such review and investigation as Participants and their attorneys and advisors believe to be necessary to enable them to make an independent, informed judgment with respect to the creditworthiness of Borrowers, the value and extent of the collateral, if any, Lender's rights against Borrowers and Borrowers' assets and the desirability of purchasing the Participation. Participants also acknowledge that they are experienced and knowledgeable in financial matters, and that they are not purchasing the Participation for purposes of investment gain (other than the possible payment of interest thereon), and that they have all necessary information to make an independent, informed judgment with respect to the financial status and condition of the Borrowers. Lender has no duty or responsibility, either initially or on a continuing basis, to provide any Participant

with any credit or other information. Lender is not responsible to any Participant for any recital, statement, information, representation or warranty whether oral or in any agreement, document, certificate or statement delivered in or in connection with the Loan Documents. Lender is not required to make any inquiry concerning the performance or observance of any terms of the Loan Documents, Borrowers' financial condition or the existence of any default or event of default.

11. Nothing in this Agreement shall be construed to limit or restrict Lender from in any way exercising any rights or remedies arising out of the Loan Documents or any documents or agreements executed by Borrowers or any Guarantor or provided for under applicable law except to the extent otherwise expressly provided in this Agreement. Participant shall have no right to enforce any of the Loan Documents including but not limited to exercising any rights or remedies arising out of the Loan Documents or any documents or agreements executed by Borrowers or provided for under applicable law unless and until (a) the Lender's senior portion of the Loans has been irrevocably paid in full; and (b) the Lender has assigned the Loan Documents to Participants in accordance with Section 15 of this Agreement. Until such time, all rights, remedies, privileges, etc. with respect to the Loans, other loans to Borrowers from Lender and the Loan Documents may be exercised only by Lender and without any requirement of consent or approval of Participants. Participants shall not contest, challenge, or object to any of Lender's claims against Borrowers or any Guarantor (including any claim under 11 U.S.C. § 506(b) in the event of a bankruptcy of one or more of Borrowers or any Guarantor), or the extent, validity, perfection, or priority of Lender's liens that secure the Loans.

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

13. (a) Participants agree not to sell, assign, or transfer or suffer any sale, assignment or transfer, in whole or in part, of the Participation or its undivided, subordinate interest in the Loans without the prior written consent of Lender.

(b) Notwithstanding anything in this Agreement or the Loan Documents to the contrary, Lender may sell, assign, or transfer, in whole or in part, the Loans to any person or entity without the consent of Participants. Notwithstanding any such sale, assignment or transfer, or any subsequent assignment or transfer, the senior obligations of Borrowers to Lender shall, subject to the terms of this Agreement, be and remain senior for purposes of this Agreement, and every assignee or transferee of any of the senior debt or of any interest in it shall, to the extent of such interest be entitled to rely upon and be the third party beneficiary of the subordination and other terms provided under this Agreement, and shall be entitled to enforce the terms and provisions of this Agreement to the same extent as if such assignee or transferee were initially a party of this Agreement. Any such sale, assignment or transfer shall be subject to each Participant's rights under this Agreement.

14. Unless and until Lender's portion of the Loans shall have been irrevocably repaid in full and all other costs, expenses, consultant fees, attorneys' fees and other obligations of Borrowers to Lender have been irrevocably paid in full and Lender's commitments, if any, have been terminated, Participants shall not set off or recoup any amounts owing to any Participant by

either of Borrowers or any Guarantor on account of the Participation against any amounts owing by any Participant to Borrowers or any Guarantor.

15. In Lender's sole and absolute discretion, Lender may (but is not obligated to) assign the Loan Documents to Participants jointly (or their designated agent) after Lender's senior portion of the Loans has been paid in full. The assignment of the Loan Documents and the endorsement of any notes reflecting the Loans shall be made without recourse to Lender, and without representation or warranty of any nature or kind by Lender.

16. Participants agree (which agreement shall survive any termination of the Participation) to reimburse Lender for all reasonable out-of-pocket expenses (including attorneys' fees) incurred by Lender in connection with the Loans or with an event of default or in enforcing the obligations of Borrowers or any Guarantor under the Loans for which Lender is not reimbursed by Borrowers, pro rata according to Participants' percentage of the Loans. Lender shall not be required to take any action with respect to the Loans or to prosecute or defend any suit in respect of the Loans unless indemnified to its satisfaction by Participants in a separate written document against loss, costs, liability, and expense. If any indemnity furnished to Lender shall become impaired, it may call for additional indemnity and cease to do the acts indemnified against until such additional indemnity is given. Notwithstanding anything to the contrary in this Agreement or otherwise, Participants' obligation under this paragraph shall not exceed each Participant's Respective Percentage in the sum of any amount distributed or to be distributed on account of the Participation, and Lender may apply any distributions to be made to Participants' obligations under this paragraph.

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

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

If to Comerica: Comerica Bank  
One Detroit Center  
500 Woodward Avenue, 4th Floor  
Detroit, Michigan 48226  
Attention: James L. Embree  
Facsimile: (313) 222-1244  
E-mail: jlembree@comerica.com

With a copy to: Bodman LLP  
6th Floor at Ford Field  
1901 St. Antoine Street  
Detroit, Michigan 48226  
Attention: Ralph E. McDowell  
Facsimile: (313) 393-7579  
E-mail: rmcowell@bodmanllp.com

If to Chrysler: Chrysler LLC  
800 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, Michigan 48326  
Attention: Sigmund Huber  
Director, Supplier Relations  
Facsimile: (248) 512-1771  
Email: seh43@chrysler.com

With a copy to: Chrysler LLC  
CIMS 485-14-78  
1000 Chrysler Drive  
Auburn Hills, Michigan 48326-2766  
Attention: Kim R. Kolb  
Senior Staff Counsel  
Facsimile: (248) 512-1771  
Email: krk4@chrysler.com

And: Dickinson Wright PLLC  
500 Woodward Avenue, Suite 4000  
Detroit, Michigan 48226  
Attention: James A. Plemmons  
Facsimile: (313) 223-3598  
Email: jplemmons@dickinsonwright.com

And: Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West  
Toronto, Ontario, Canada  
M5H 3Y4  
Attention: Craig J. Hill  
Facsimile: (416) 361-7301  
Email: chill@blgcanada.com

If to GM: General Motors Corporation  
30009 Van Dyke Road  
P.O. Box 9025  
Mail Code: 480-206-136  
Warren, Michigan 48090-9025  
Attention: Mark W. Fischer  
Facsimile: (586) 575-3404  
Email: mark.w.fischer@gm.com

With a copy to: Honigman Miller Schwartz and Cohn LLP  
2290 First National Building  
660 Woodward Avenue  
Detroit, Michigan 48226  
Attention: Donald F. Baty, Jr.  
Facsimile: (313) 465-7314  
Email: dbaty@honigman.com

If to Ford: Ford Motor Company  
One America Road  
World Headquarters  
Suite 416  
Dearborn, Michigan 48126  
Attention: Daniella Saltz  
Facsimile: (313) 322-3804  
Email: dsaltz@ford.com

With a copy to: Ford Motor Company  
Building 3  
20100 Rotunda Drive  
Number 3A041  
Dearborn, Michigan 48124  
Attention: Bill Strong  
Facsimile: (313) 206-7044  
Email: wstrong@ford.com

And: Miller Canfield Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, Michigan 48226  
Attention: Stephen S. LaPlante  
Jonathan S. Green  
Facsimile: (313) 496-8478  
Email: laplante@mcps.com

If to Honda: Honda of America Mfg., Inc.  
North American Purchasing Office  
21001-A State Route 739  
Raymond, Ohio 43067  
Attention: Bryan Clay  
Facsimile: (937) 645-7401  
Email: Bryan\_Clay@ham.honda.com

With a copy to: Joseph F. LaFleur, Esq.  
Honda of America Mfg., Inc.  
24000 Honda Parkway  
Marysville, Ohio 43040-9251  
Facsimile: (937) 644-6583  
Email: Joe\_LaFleur@ham.honda.com

And Robert A. Bell, Jr.  
Vorys, Sater, Seymour and Pease LLP  
52 East Gay Street  
Columbus, Ohio 43216-1008  
Facsimile: (614) 719-5169  
E-mail: [rabell@vorys.com](mailto:rabell@vorys.com)

19. This Agreement and any other agreements referenced in it constitute the entire understanding of the parties in connection with the matters referenced and shall not be modified or altered except by a writing signed by Participants and Lender. There are no other agreements, oral or written, express or implied, relating to its subject matter other than this Agreement and the other agreements referenced and all prior agreements and understandings have been merged into this Agreement.

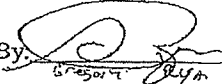
20. Participants acknowledge that they have reviewed (or have had the opportunity to review) this Agreement with counsel of their choice and have executed this Agreement of their own free will and accord and without duress or coercion of any kind by Lender or any other person or entity.

21. This Agreement may be executed in counterparts and facsimile copies of any signatures shall be treated as original signatures.

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

LENDER:

COMERICA BANK

By:  \_\_\_\_\_  
Its: Vice President \_\_\_\_\_

PARTICIPANTS:

GENERAL MOTORS CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

FORD MOTOR COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

LENDER:


COMERICA BANK

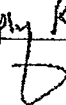
By: \_\_\_\_\_

Its: \_\_\_\_\_

PARTICIPANTS:

GENERAL MOTORS CORPORATION

By: 

Its: Director, Supply Risk Mgr  


FORD MOTOR COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_



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

LENDER:

COMERICA BANK

By: \_\_\_\_\_

Its: \_\_\_\_\_

PARTICIPANTS:

GENERAL MOTORS CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

FORD MOTOR COMPANY

By: Kelly W. Mangas <sup>1/21/02</sup>

Its: Purchasing Manager

CHRYSLER LLC

*YAK*

By: *Jan A. Butal*  
Its: *SVP, Treasurer & CFO*

HONDA OF AMERICA MFG., INC. for itself  
and on behalf of HONDA CANADA MFG., a  
division of HONDA CANADA, INC., HONDA  
MANUFACTURING OF INDIANA, LLC and  
HONDA MANUFACTURING OF ALABAMA,  
LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Each of undersigned consents and agrees to all terms and conditions of the foregoing Subordinated Participation Agreement. In addition, each of the undersigned Guarantors consents to the foregoing and acknowledges and agrees that: (i) the Loan Documents, this Agreement, and every other document executed or delivered in connection with the transactions contemplated hereby, and all the terms and conditions thereof, shall be and remain in full and force and effect with the changes effected by this Agreement deemed to be incorporated therein; (ii) neither the validity, priority and enforceability of the Loan Documents, nor its guaranty of the Borrowers' obligations thereunder shall be affected or impaired by the consummation of the transactions contemplated hereby; and (iii) as of the date hereof, its guaranty of the Borrowers' obligations under the Loan Documents is its valid obligation, enforceable in accordance with its terms without defense or setoff by or on behalf of such Guarantor.

**"BORROWERS"**

**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

By: \_\_\_\_\_  
Vytas Ambutas  
Its: Secretary

**CHRYSLER LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**HONDA OF AMERICA MFG., INC. for itself  
and on behalf of HONDA CANADA MFG., a  
division of HONDA CANADA, INC., HONDA  
MANUFACTURING OF INDIANA, LLC and  
HONDA MANUFACTURING OF ALABAMA,  
LLC**

By: Robert D. Nelson AVP

Its: Robert D. Nelson AVP

Each of undersigned consents and agrees to all terms and conditions of the foregoing Subordinated Participation Agreement. In addition, each of the undersigned Guarantors consents to the foregoing and acknowledges and agrees that: (i) the Loan Documents, this Agreement, and every other document executed or delivered in connection with the transactions contemplated hereby, and all the terms and conditions thereof, shall be and remain in full and force and effect with the changes effected by this Agreement deemed to be incorporated therein; (ii) neither the validity, priority and enforceability of the Loan Documents, nor its guaranty of the Borrowers' obligations thereunder shall be affected or impaired by the consummation of the transactions contemplated hereby; and (iii) as of the date hereof, its guaranty of the Borrowers' obligations under the Loan Documents is its valid obligation, enforceable in accordance with its terms without defense or setoff by or on behalf of such Guarantor.

**"BORROWERS"**

**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: FL International Corporation

Its: General Partner

By: \_\_\_\_\_

Vytas Ambutas

Its: Secretary

CHRYSLER LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

HONDA OF AMERICA MFG., INC. for itself  
and on behalf of HONDA CANADA MFG., a  
division of HONDA CANADA, INC., HONDA  
MANUFACTURING OF INDIANA, LLC and  
HONDA MANUFACTURING OF ALABAMA,  
LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_


Each of undersigned consents and agrees to all terms and conditions of the foregoing Subordinated Participation Agreement. In addition, each of the undersigned Guarantors consents to the foregoing and acknowledges and agrees that: (i) the Loan Documents, this Agreement, and every other document executed or delivered in connection with the transactions contemplated hereby, and all the terms and conditions thereof, shall be and remain in full and force and effect with the changes effected by this Agreement deemed to be incorporated therein; (ii) neither the validity, priority and enforceability of the Loan Documents, nor its guaranty of the Borrowers' obligations thereunder shall be affected or impaired by the consummation of the transactions contemplated hereby; and (iii) as of the date hereof, its guaranty of the Borrowers' obligations under the Loan Documents is its valid obligation, enforceable in accordance with its terms without defense or setoff by or on behalf of such Guarantor.

**"BORROWERS"**

**SID AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation

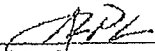
Its: General Partner

By:   
Vytautas Ambutis

Its: Secretary


SKD COMPANY

By: 2515080 Nova Scotia Company  
Its: General Partner

By:   
John Chen  
Its: Vice President

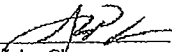
"GUARANTORS"

NMC CANADA INC.

By:   
Vytautas Ambutas  
Its: Secretary

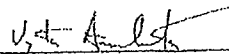
SKD HOLDING, L.P.

By: SKD Holding, Inc.  
Its: General Partner

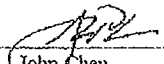
By:   
John Chen  
Its: Vice President/Treasurer

SKD, L.P.

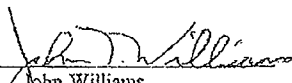
By: Quincy Holdings, Inc.  
Its: General Partner

By:   
Vytautas Ambutas  
Its: Secretary

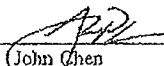
2515080 NOVA SCOTIA COMPANY

By:   
John Chen  
Its: Vice President

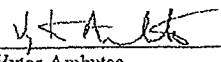
EASSA MEXICO, S. DE R.L. DE C.V.

By:   
John Williams  
Its: Treasurer

SKD DE MEXICO, S. DE R.L. DE C.V.

By:   
John Chen  
Its: Treasurer

NMC CANADA INC.

By:   
Vytas Ambutas  
Its: Secretary

**EXHIBIT 1**  
**SCHEDULE OF**  
**SUBORDINATED PARTICIPATIONS**

Participations under first interim agreement:

Chrysler	\$557,700
Ford	\$306,217
Honda	\$158,286
General Motors	<u>\$50,297</u>
TOTAL:	\$1,072,500

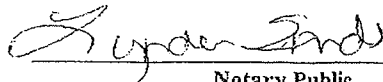
Participations purchased under second interim agreement:

Chrysler	\$535,003
Ford	\$262,811
Honda	\$161,285
General Motors	<u>\$147,401</u>
TOTAL:	\$1,106,500

# TAB B



This is Exhibit "B" referred to in the  
affidavit of John Chen  
sworn before me, this  
5 day of May, 2009

  
\_\_\_\_\_  
Notary Public

LYNDA SANDS  
NOTARY PUBLIC - STATE OF MICHIGAN  
COUNTY OF MACOMB  
My Commission Expires 05-24-2018  
Acting in the County of Oakland

**AMENDMENT NO. 1 TO  
AMENDED AND RESTATED  
SUBORDINATED PARTICIPATION AGREEMENT**

Comerica Bank ("Lender"), General Motors Corporation ("GM"), Ford Motor Company ("Ford"), Chrysler LLC ("Chrysler"), Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, "Honda") (Honda, collectively with GM, Ford, and Chrysler, the "Participants," and each individually, a "Participant") enter into this amendment to the Amended and Restated Subordinated Participation Agreement (the "Amendment") effective as of March 1, 2009.

**RECITALS:**

A. The Lender and the Participants entered into an Amended and Restated Subordinated Participation Agreement dated January 21, 2009 (the "Amended and Restated Subordinated Participation Agreement").

B. The Lender and the Participants have agreed to certain modifications to the Amended and Restated Subordinated Participation Agreement and as set forth herein.

**BASED ON THE FOREGOING RECITALS** which are incorporated as representations and warranties of the parties, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Lender and the Participants agree as follows:

1. The second to last sentence of paragraph 1 of the Amended and Restated Subordinated Participation Agreement shall be amended and replaced with the following sentence: "Borrowers and Participants are parties to a separate agreement, as amended, restated or otherwise modified from time to time (the "Additional Participations and Allocation Agreement"), that requires Participants to purchase additional Participations under certain circumstances."

2. This Amendment shall be construed in accordance with the laws of the State of Michigan (without reference to its conflict of laws principles). Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law; but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

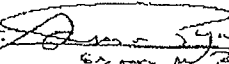
3. Except as explicitly amended hereby, the Amended and Restated Subordinated Participation Agreement remains in full force and effect.

4. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their

respective signatures may be delivered by facsimile or other electronic means, and that facsimile or electronic signatures will be treated as originals for all purposes.

LENDER:

COMERICA BANK

By:   
Gregory W. Ryan  
Its: Vice President

**PARTICIPANTS:**

**GENERAL MOTORS CORPORATION**

By:           *Michael R.*          

Its:           *Manager, Business Development*          

**FORD MOTOR COMPANY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CHRYSLER CANADA, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CHRYSLER LLC, on behalf of itself and  
CHRYSLER MOTORS LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**PARTICIPANTS:**

**GENERAL MOTORS CORPORATION**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**FORD MOTOR COMPANY**

By: *Ausa G. L. 3/12/09*

Its: *Director, Body - Ext Purchasing*

**CHRYSLER CANADA, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CHRYSLER LLC, on behalf of itself and  
CHRYSLER MOTORS LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**PARTICIPANTS:**

**GENERAL MOTORS CORPORATION**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**FORD MOTOR COMPANY**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CHRYSLER CANADA, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

~~CHRYSLER LLC~~ *KRK*

~~CHRYSLER MOTORS LLC~~

By: Jan A. Bertel

Its: SVP, Treasurer + CIO

HONDA OF AMERICA MFG., INC. for itself  
and on behalf of HONDA CANADA MFG., a  
division of HONDA CANADA, INC., HONDA  
MANUFACTURING OF INDIANA, LLC and  
HONDA MANUFACTURING OF ALABAMA,  
LLC


By: Robert D. Nelson  
Its: Robert D. Nelson, Asst. V.P.

Each of undersigned consents and agrees to all terms and conditions of the foregoing Amendment.

**"BORROWERS"**

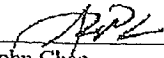
**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

By:   
Vytas Ambutas  
Its: Secretary

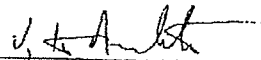
**SKD COMPANY**

By: 2515080 Nova Scotia Company  
Its: General Partner

By:   
John Chen  
Its: Vice President

**"GUARANTORS"**

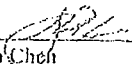
**NMC CANADA INC.**

By:   
Vytas Ambutas  
Its: Secretary



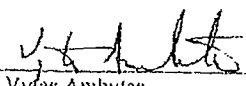
SKD HOLDING, L.P.

By: SKD Holding, Inc.  
Its: General Partner

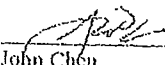
By:   
John Chen  
Its: Vice President/Treasurer

SKD, L.P.

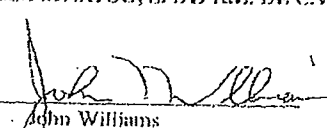
By: Quincy Holdings, Inc.  
Its: General Partner

By:   
Vytautas Ambutas  
Its: Secretary

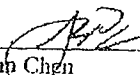
2515080 NOVA SCOTIA COMPANY

By:   
John Chen  
Its: Vice President

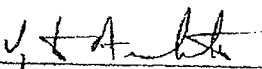
EASSA MEXICO, S. DE R.L. DE C.V.

By:   
John Williams  
Its: Treasurer

SKD DE MEXICO, S. DE R.L. DE C.V.

By:   
John Chen  
Its: Treasurer

NMC CANADA INC.

By:   
Vytas Ambutas  
Its: Secretary

# TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) WEDNESDAY, THE 6th DAY  
 ) OF MAY, 2009  
 )  
JUSTICE CAMPBELL )

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

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

Applicants

**ORDER**

**THIS MOTION** made by the applicants, NMC Canada Inc. and 2515080 Nova Scotia Company (the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard on April 30, 2009 and this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Initial Order of this Court dated January 21, 2009, as extended from time to time (the "**Initial Order**"), the affidavits of John Chen sworn April 28, 2009 and May 5, 2009, the Affidavit of Christopher Garrah sworn April 30, 2009 (the "**Garrah Affidavit**"), and the Seventh Report (the "**Seventh Report**") of RSM Richter Inc., the Monitor of the Applicants (the "**Monitor**"), and on hearing submissions from counsel for the Applicants and SKD

Company, the general partnership through which the Applicants carry on business (“**SKD Company**”), and together with the Applicants, the “**CCAA Parties**”, and any one, a “**CCAA Party**”), counsel for the Monitor, as well as counsel for Comerica Bank (“**Comerica**”), Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, “**Honda**”), Ford Motor Company (“**Ford**”), Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc. (collectively, “**Chrysler**”) and General Motors Corporation (“**GM**”) and, together with Ford, Honda and Chrysler, the “**Customers**”) and Orlando Corporation and Orion Properties Ltd., no one else on the service list appearing:

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

#### **DISTRIBUTION TO COMERICA BANK**

2. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to release from the Liquidation Funds (as defined in the April 30, 2009 Order made in this proceeding) for distribution by SKD Company to Comerica, and SKD Company is hereby authorized and directed to pay to Comerica (i) an amount of up to US\$1,500,000, inclusive of fees and expenses up to approximately May 6, 2009, and (ii) with the concurrence of the Monitor, any other amounts required to pay 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

pursuant to the Comerica Credit Agreement (the “**Senior Loan Portion**”), in each case in indefeasible and permanent repayment to Comerica of the Senior Loan Portion up to April 30, 2009, but not in repayment of all or any portion of the Customer Participation Loan Portion (defined below). For clarity, the Senior Loan Portion does not include any indebtedness or obligations of the SKD Loan Parties to Comerica in relation to the subordinated participations purchased by any of the Customers under the Amended and Restated Subordinated Participation Agreement between the CCAA Parties, Comerica and the Customers dated January 21, 2009, as amended (the “**Subordinated Participation Agreement**”) (the indebtedness relating to such subordinated participations being referred to herein as the “**Customer Participation Loan Portion**”).

3. **THIS COURT ORDERS AND DECLARES** that nothing herein shall be or be deemed to:

- (a) terminate or otherwise impair any obligations of the SKD Loan Parties to Comerica pursuant to the Comerica Credit Agreement that are not paid pursuant to paragraph 2 above, including without limitation, the expense reimbursement, indemnification and other provisions of the Comerica Credit Agreement, which by their own terms survive the repayment of any of the obligations or any of Comerica’s security for any of the foregoing;
- (b) affect the liabilities and obligations of the SKD Loan Parties in relation to the Customer Participation Loan Portion; or
- (c) 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, as amended, all rights in relation to which are hereby fully reserved.

#### **AMENDMENT TO FORBEARANCE AGREEMENT**

4. **THIS COURT ORDERS** that the CCAA Parties be and they are hereby authorized and empowered to enter into and perform their obligations under a certain Fourth Amendment to the Forbearance Agreement (as defined in the Initial Order), substantially in the form of the amending agreement attached as Exhibit "B" to the Garrah Affidavit (the "**Fourth Forbearance Amending Agreement**"), and that the Fourth Forbearance Amending Agreement be and is hereby approved.

#### **SUBORDINATED PARTICIPATIONS**

5. **THIS COURT ORDERS** that the Customers may not accept any distribution of funds under or in relation to the Subordinated Participation Agreement pending further Order of this Court.

---

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

Court File No. 09-CL- 7960

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER**

**LANG MICHENER LLP**

Lawyers – Patent & Trade Mark Agents  
Brookfield Place, P.O. Box 747  
181 Bay Street, Suite 2500  
Toronto, ON M5J 2T7

**Sheryl E. Seigel** (LSUC No. 21850H)

Tel: 416-307-4063

Fax: 416-365-1719

E-mail: [sseigel@langmichener.ca](mailto:sseigel@langmichener.ca)

**John S. Contini** (LSUC #30610B)

Tel: 416-307-4148

Fax: (416) 365-1719

E-mail : [jcontini@langmichener.ca](mailto:jcontini@langmichener.ca)

Lawyers for the Applicants



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

Court File No. 09-CL-7960

---

ONTARIO

SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at TORONTO

---

SECOND SUPPLEMENTARY  
MOTION RECORD

LANG MICHENER LLP

Lawyers – Patent & Trade Mark Agents  
Brookfield Place, P.O. Box 747  
181 Bay Street, Suite 2500  
Toronto, ON M5J 2T7

Sheryl Seigel

LSUC #21850H

Tel: (416) 307-4063

E-mail: [sseigel@langmichener.ca](mailto:sseigel@langmichener.ca)

John S. Contini

LSUC #30610B

Tel: (416) 307-4148

E-mail: [jcontini@langmichener.ca](mailto:jcontini@langmichener.ca)

Fax: (416) 365-1719

Lawyers for the Applicants