

**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**

Applicant

---

**MOTION RECORD**  
(returnable April 29, 2010)

---

**GOODMANS LLP**

Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

L. Joseph Latham (LSUC #32326A)  
Fred Myers (LUSC #26310A)  
Logan Willis (LSUC #53894K)

Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for the Applicants

# Index

**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**

Applicant

**INDEX**

**DOCUMENT**

**TAB NO.**

Notice of Motion	1
Draft Distribution Order	2
Draft Approval and Vesting Order	3
Second Report of the Receiver	4
Affidavit of Robert Kofman	5
Affidavit of L. Joseph Latham	6

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 NMC CANADA, INC. AND  
2515080 NOVA SCOTIA COMPANY**

**NOTICE OF MOTION**

RSM Richter Inc., in its capacity as receiver (the "**Receiver**") of the property, assets and undertaking of SKD Company, NMC Canada Inc. ("**NMC**") and 2515080 Nova Scotia Company ("**2515080**", and collectively with SKD Company and NMC, the "**Debtors**") will make a motion to a judge presiding on the Commercial List on April 29, 2010 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

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

**THE MOTION IS FOR:**

1. an Order (the "**Distribution Order**"), *inter alia*:
  - (a) authorizing and directing the Receiver to distribute USD\$11.316 million, plus accrued interest thereon, to Comerica Bank ("**Comerica**") to repay in full the Canadian Participations (as defined below);
  - (b) authorizing and directing the Receiver to distribute USD\$90,373 to SKD U.S. (as defined below) for amounts that it paid on behalf of SKD Company;

- (c) authorizing and directing the Receiver to distribute \$45,500 to Paccar Leasing Company Ltd. ("**Paccar**") to pay in full Paccar's secured claim against the Debtors;
  - (d) authorizing and directing the Receiver to distribute \$25,773 to Ready Machinery & Equipment (Canada) Inc. ("**Ready Machinery**") to pay in full Ready Machinery's secured claim against the Debtors;
  - (e) authorizing the Receiver to enter into and execute the Canadian Disbursement Agreement and the U.S. Disbursement Agreement (each as defined below);
  - (f) authorizing the Receiver to assign each of the Debtors into bankruptcy;
  - (g) reducing the Directors' Charge (as defined in the Initial Order (as defined below));
  - (h) approving the Receiver's Second Report dated April 21, 2010 (the "**Second Report**") and the actions and activities of the Receiver as detailed therein;
  - (i) approving the fees and disbursements of the Receiver and its legal counsel for the period from June 11, 2009 to and including March 31, 2010; and
  - (j) such further and other relief as this Honourable Court may deem just; and
2. an Order (the "**Approval and Vesting Order**"), *inter alia*:
- (a) approving the sale transaction (the "**Transaction**") in respect of the property known municipally as 38-40 Holtby Avenue, Brampton, Ontario (the "**Purchased Property**") contemplated by the agreement of purchase and sale between the Receiver, as vendor, and Boutin Holdings Limited, as purchaser ("**Boutin**"), accepted on April 6, 2010 as assigned by Boutin and assumed by 2240523 Ontario Inc. (the "**Purchaser**") pursuant to an assignment and assumption of agreement of purchase and sale (collectively, the "**Sale Agreement**");
  - (b) authorizing and directing the Receiver to enter into and complete the transactions contemplated by the Sale Agreement in accordance with terms thereof;

- (c) vesting all of the Debtors' right, title and interest in and to the Purchased Property in the Purchasers, free and clear of all interests, liens, charges and other encumbrances, all as set out in the Approval and Vesting Order; and
- (d) granting all ancillary and necessary relief, all as set out in the Approval and Vesting Order, and such further and other relief as the Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. NMC is incorporated under the Ontario Business Corporations Act. 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. SKD Automotive Group, Limited Partnership ("**SKD Automotive**"), which is not a participant in these proceedings, is the U.S. parent of the Debtors;
2. SKD Company was an automotive parts supplier that designed and manufactured metal components and weldments for automakers in the North American automotive industry, including Chrysler Group LLC ("**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**");
3. on January 21, 2009 the Applicants obtained an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). On June 11, 2009, this Honourable Court amended the Initial Order and granted an Order that placed the Debtors into receivership and appointed RSM Richter Inc. as Receiver (the "**Receivership Order**");
4. Comerica Bank was the Debtors' primary secured creditor and provided the Debtors and SKD Automotive with a revolving loan facility (the "**Loan Facility**") to fund their business and operations prior to the Debtors' CCAA proceedings and the sale of SKD Automotive's assets and business;

5. the Customers purchased certain undivided subordinated interests in the Loan Facility to fund the business and operations of the Debtors during the CCAA proceedings (the “**Canadian Participations**”) and, together with General Motors LLC, to fund the business and operations of SKD Automotive prior to the sale of its assets and business (the “**U.S. Participations**”), all in accordance with an Amended and Restated Subordinated Participation Agreement among the parties dated January 21, 2009;
6. Comerica has been repaid in full the amounts owed to it under the Loan Facility, and Comerica currently holds cash collateral from the proceeds from the realization of the assets of SKD Automotive. The Canadian Participations have not been repaid. The U.S. Participations have been paid to Comerica but have not been distributed by Comerica to the Customers and General Motors LLC;
7. the Receiver currently holds, *inter alia*, the sum of approximately \$15.3 million representing the proceeds from the realization of the assets of SKD Company to date;
8. the Receiver seeks to make a distribution of USD\$11.316 million, plus interest accrued thereon to the date of distribution, to Comerica to repay in full the Canadian Participations. This distribution is appropriate at this time given the security held by Comerica in respect of the amounts owed pursuant to the Canadian Participations;
9. the Receiver seeks to make a distribution of USD\$90,373 to SKD L.P. and SKD de Mexico, S. de R.L. de C.V. (collectively, “**SKD U.S.**”) on account of certain amounts that SKD U.S. paid on behalf of SKD Company;
10. the Receiver seeks to make a distribution of \$45,500 to Paccar Leasing Company Ltd. (“**Paccar**”) to pay in full Paccar’s secured claim against the Debtors. This distribution is appropriate at this time given the security held by Paccar in respect of the certain assets of SKD Company previously sold by the Receiver;
11. the Receiver seeks to make a distribution of \$25,773 to Ready Machinery to pay in full Ready Machinery’s secured claim against the Debtors. This distribution is appropriate at this time as Ready Machinery’s claim is secured by a valid lien under the *Repair & Storage Lien Act* (Ontario);

12. RSM Richter Inc. is willing to act as disbursing agent in respect of the repayment of the Canadian Participations to the Customers pursuant to a Canadian Disbursement Agreement that is in the process of being finalized by the parties thereto (the “**Canadian Disbursement Agreement**”). The current version of the Canadian Disbursement Agreement, which remains subject to finalization by the parties, is appended to the Second Report. RSM Richter Inc. has also agreed to act as disbursing agent in respect of the repayment of the U.S. Participations to the Customers and General Motors pursuant to a U.S. Disbursement Agreement that is in the process of being finalized by the parties thereto (the “**U.S. Disbursement Agreement**”). The current version of the U.S. Disbursement Agreement, which remains subject to finalization by the parties, is appended to the Second Report;
13. the Receiver ran a Court-approved process (the “**D&O Claims Process**”) to identify and resolve any claims against the directors and officers of the Debtors;
14. certain of the claims against the directors and officers received as part of the D&O Claims Process have now been resolved or disallowed in accordance with the terms of the D&O Claims Process;
15. the full amount of the Directors’ Charge is no longer necessary to satisfy the outstanding claims received as part of the D&O Claims Process;
16. the Debtors’ operations have now ceased and most of the operating assets have been sold;
17. as part of the marketing and sale of the Debtors’ assets and business, the Receiver, with the assistance of CB Richard Ellis as real estate broker, marketed for sale, *inter alia*, the Purchased Property;
18. after marketing the Purchased Property for nine months and considering offers received for the Purchased Property, the Receiver entered into good faith, arm’s length negotiations with the Purchaser. After extensive negotiations, the Receiver and the Purchaser ultimately entered into the Sale Agreement;

19. the Receiver believes that the purchase price contemplated in the Sale Agreement and the terms of the Sale Agreement are commercially reasonable and in the best interests of the Debtors and their stakeholders;
20. the Receiver believes that, following the distributions contemplated in the Distribution Order, the Debtors should be placed into bankruptcy in order to utilize the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, to determine the unsecured claims against the Debtors and to distribute monies, if any, which may be available for distribution to unsecured creditors;
21. given RSM Richter Inc.'s knowledge of the CCAA and receivership proceedings, it is appropriate for RSM Richter Inc. to be named as the trustee in bankruptcy;
22. the Receiver has dutifully fulfilled its obligations as Receiver, including as outlined in the Second Report. The Receiver has incurred fees and disbursements in respect of this matter for the period from June 11, 2009 until March 31, 2010 as set out in the affidavit of Robert Kofman sworn April 21, 2010 (the "**Kofman Affidavit**"), and the Receiver's legal counsel, Goodmans LLP, has incurred the fees and disbursements in respect of this matter for the period from June 11, 2009 until March 31, 2010 as set out in the affidavit of L. Joseph Latham sworn April 19, 2010 (the "**Latham Affidavit**");
23. the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
24. 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
25. 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 Receivership Order;

2. the Second Report and the appendices thereto; and
3. the Kofman Affidavit;
4. the Latham Affidavit; and
5. such further and other evidence as counsel may advise and this Honourable Court may permit.

April 21, 2010

**GOODMANS LLP**  
Barristers & Solicitors  
Suite 2400, Box 20  
250 Yonge Street  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham (LSUC#32326A)  
Logan Willis (LSUC#53894K)  
Tel: 416.979.2211  
Fax: 416.979.1234

Lawyers for RSM Richter Inc., in its capacity as  
Receiver.

**TO: See Service List Attached**



**SCHEDULE "A"**

**SCHEDULE "A"**  
Service List

TO: **RSM RICHTER INC.**  
200 King St. W., Suite 1100  
P.O. Box 48  
Toronto, ON M5H 3T4

**Robert Kofman**  
Tel: (416) 932-6228  
Fax: (416) 932-6200  
Email: Bkofman@RSMRichter.com

**Lana Bezner**  
Tel: (416) 932-6009  
Fax: (416) 932-6200  
Email: Lbezner@RSMRichter.com

Monitor

AND TO: **LANG MICHENER LLP**  
P.O. Box 747, Suite 2500  
Brookfield Place, 181 Bay Street  
Toronto, ON M5J 2T7

**Sheryl Seigel**  
Tel. (416) 307-4063  
Fax. (416) 365-1719  
Email: sseigel@langmichener.ca

**John Contini**  
Tel. (416) 307-4148  
Fax. (416) 365-1719  
Email: jcontini@langmichener.ca

Lawyers for SKD Company, NMC. Canada, Inc., 2515080 Nova Scotia Company and their officers and directors.

AND TO: **BLAKE, CASSELS & GRAYDON LLP**  
Box 25, Commerce Court West  
Toronto, ON M5L 1A9

**Steven J. Weisz**  
Tel: (416) 863-2616  
Fax: (416) 863-2653  
Email: steven.weisz@blakes.com

**Linc Rogers**  
Tel: (416) 863-4168  
Fax: (416) 863-2653  
Email: linc.rogers@blakes.com

Lawyers for Honda of America Mfg., Honda Canada Mfg. a division of Honda Canada Inc., Honda Manufacturing of Indiana LLC and Honda Manufacturing of Alabama, LLC

AND TO: **MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.**

Windsor  
443 Ouellette Avenue, Suite 300  
Windsor, ON N9A 6R4

Toronto  
Brookfield Place, TD Canada Trust Tower  
161 Bay Street, 27<sup>th</sup> Floor  
Toronto, ON M5J 2S1

**John D. Leslie**

Windsor  
Tel: (519) 561-7422  
Fax: (519) 977-1565

Toronto  
Tel: (647) 259-6277  
Fax: (647) 259-6288

Email: leslie@millercanfield.com

Lawyers for Ford Motor Company

AND TO: **THORNTONGROUTFINNIGAN LLP**

Suite 3200, Canadian Pacific Tower  
100 Wellington Street West  
P.O. Box 329  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**James H. Grout**

Tel: (416) 304-0557  
Fax: (416) 304-1313  
Email: jgrout@tgf.ca

**Kim Ferreira**

Tel: (416) 304-0591  
Fax: (416) 304-1313  
Email: kferreira@tgf.ca

Canadian Lawyers for General Motors Corporation

AND TO: **HONIGMAN, MILLER, SCHWARTZ AND COHN LLP**

2290 First National Building  
660 Woodward Avenue  
Detroit, Michigan 48226  
U.S.A.

United States Lawyers for General Motors Corporation

AND TO: **BORDEN LADNER GERVAIS LLP**  
Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3Y4

**Craig J. Hill**  
Tel: (416) 367-6156  
Fax: (416) 361-7301  
Email: chill@blgcanada.com

**Sam P. Rappos**  
Tel: (416) 367-6033  
Fax: (416) 361-7306  
Email: srappos@blgcanada.com

Lawyers for Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc.

AND TO: **MCMILLAN LLP**  
Brookfield Place, Suite 440  
Bay-Wellington Tower  
181 Bay Street  
Toronto, ON M5J 2T3

**Lawrence J. Crozier**  
Tel: (416) 865-7178  
Fax: (416) 865-7048  
Email: lawrence.crozier@mcmillan.ca

**Adam Maerov**  
Tel: (416) 865-7285  
Fax: (416) 865-7048  
Email: adam.maerov@mcmillan.ca

Canadian Lawyers for Comerica Bank

AND TO: **BODMAN LLP**  
1901 St. Antoine St.  
6<sup>th</sup> Floor at Ford Field  
Detroit, Michigan 48226

**Ralph E. McDowell**  
Tel: (313) 393-7592  
Fax: (313) 393-7579  
Email: rmcowell@bodmanllp.com

U.S. Counsel for Comerica Bank

AND TO: **FRASER MILNER CASGRAIN LLP**  
1 First Canadian Place  
100 King Street West  
Toronto, ON M5X 1B2

**Jane Dietrich**  
Tel: 416- 863-4511  
Fax: 416- 863-4592  
E-mail: jane.dietrich@fmc-law.com

Counsel for PricewaterhouseCoopers

AND TO: **PRICEWATERHOUSECOOPERS INC.**  
Mississauga Executive Centre  
One Robert Speck Parkway  
Suite 1100  
Mississauga ON L4Z 3M3

**Sharon Carew**  
Tel: 905-949-7375  
Fax: 905-949-7447  
Email: sharon.carew@ca.pwc.com

AND TO: **CAW – CANADA**  
Legal Department  
205 Placer Court  
Toronto, ON M2H 3H9

**Barry E. Wadsworth**  
Tel: (416) 495-3776  
Fax: (416) 495-3786  
Email: barry.wadsworth@caw.ca

Lawyers for the Canadian Auto Workers and Canadian Auto Workers Local 1285

AND TO: **GROSMAN, GROSMAN & GALE LLP**  
390 Bay Street, Suite 1100  
Toronto, ON M5H 2Y2

**William R. Gale**  
Tel: (416) 364-9599  
Fax: (416) 364-2490  
Email: wgale@grosman.com

Lawyers for Roberto Costantino and Tony Wong

AND TO: **UNITED STEELWORKERS**  
234 Eglinton Ave. East, Suite 800  
Toronto, ON M4P 1K7

**Mark Rowlinson**  
Tel: (416) 544-5983  
Fax: (416) 487-8826  
Email: mrowlinson@usw.ca

Lawyers for United Steelworkers

AND TO: **BENNETT JONES LLP**  
P.O. Box 130  
3400 One First Canadian Place  
Toronto, ON M5X 1A4

**Kevin J. Zych**  
Tel: (416) 777-5738  
Fax: (416) 863-1716  
Email: ZychK@bennettjones.com

**Raj Sahni**  
Tel: (416) 777-4804  
Fax: (416) 863-1716  
Email: SahniR@bennettjones.com

Lawyers for Martinrea

AND TO: **FOGLER RUBINOFF LLP**  
1200-95 Wellington St. W.  
Toronto, ON, M5J 2Z9

**Martin R. Kaplan**  
Tel: (416) 941-8822  
Fax: (416) 941-8852  
Email: mkaplan@foglers.com

**Karen R. Rosen**  
Tel: (416) 941-8867  
Fax: (416) 941-8852  
Email: krosen@foglers.com

**Joel Farber**  
Tel: (416) 941-3707  
Fax: (416) 941-8852  
Email: jdf@foglers.com

Lawyers for Dietron Tool and Die Inc. and Maynard's Industries Ltd.

AND TO: **ECCLESTON LLP**  
3820-66 Wellington St. W.  
P.O. Box 230, Toronto-Dominion Centre  
Toronto, ON, M5K 1J3

**Kenneth Eccleston**  
Tel: (416) 913-2043  
Fax: (416) 504-2686  
Email: ken@ecclestonllp.com

Lawyers for O'Brien Installations Ltd.

AND TO: **MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, ON M5H 3S1

**Maurice Fleming**  
Tel: (416) 595-8686  
Fax: (416) 595-8695  
Email: mfleming@millერთhompson.com

**Margaret Sims**  
Tel: (416) 595-8577  
Fax: (416) 595-8695  
Email: msims@millერთhompson.com

AND TO: **LAVERY, DE BILLY, L.L.P.**  
Lawyers for Orlando Corporation  
Suite 2400, 600 De La Gauchetiere West,  
Montreal, PQ H3B 4L8

**Jean-Yves Simard**  
Tel: (514) 877-3039  
Fax: (514) 871-8977  
Email: jysimard@lavery.ca

Lawyers for Info Global Solutions

AND TO: **CANADA REVENUE AGENCY**  
55 Bay Street North  
Hamilton, ON L8N 3E1

**Brian Clements**  
Tel: 905-572-4426  
Fax: 905-546-1615  
Email: Brian.Clements@cra-arc.gc.ca

AND TO: **WSIB**  
Regulatory Services Division  
200 Front Street West  
22<sup>nd</sup> Floor  
Toronto, Ontario  
M5V 3J1

**Eric Kupka**  
Tel: 416-344-3143  
Fax: 416-344-3160  
Email: eric\_kupka@wsib.on.ca

AND TO: **MINISTRY OF FINANCE**  
Office of Legal Services  
33 King Street West, 6<sup>th</sup> Floor  
Oshawa, Ontario L1H 8H5

**Kevin J. O'Hara**  
Tel: (905) 433-6934  
Fax: (905) 436-4510  
Email: kevin.ohara@fin.gov.on.ca

Lawyers for Ontario Ministry of Finance

AND TO: **CBSC CAPITAL INC.**  
1235 North Service Road West, Unit 100  
Oakville, Ontario L6M 2W2

**Faseeh Ahmad**  
Tel: 1-877-523-5515 ext. 2370  
Fax: 1-866-318-3447  
Email: fahmad@leasedirect.com

AND TO: **STELLARBRIDGE MANAGEMENT INC.**  
111 Creditstone Road  
Concord, Ontario L4K 1N3

**Celeste Iacobelli**  
Tel: (905) 669-2126  
Fax: (905) 669-2049  
Email: ciacobelli@arggroup.com

AND TO: **INTEGRATED DISTRIBUTION SYSTEMS LP O/A WAJAX INDUSTRIES**  
16745-111 Avenue  
Edmonton, Alberta T5M 2S4

**John Knight**  
Tel: (780) 487-6700  
Fax: (780) 669-7028  
Email: jknight@wajax.com



AND TO: **ANSWER PRECISION TOOL INC.**  
190 Washburn Drive  
Kitchener, Ontario N2R 1S2

**Dave Henning**  
Tel: (519) 748-0079  
Fax: (519) 748-0081  
Email: dhenning@answerprecision.com

AND TO: **READY MACHINERY & EQUIPMENT [CANADA] INC.**  
8080 Lawson Road  
Milton, Ontario L9T 5C4

**Tamara Amabile**  
Tel: 1-800-211-2500 or (905) 875-1990  
Fax: (905) 875-1995  
Email: tamara@readymachinery.com

AND TO: **ORION PROPERTIES LTD. O/A ORLANDO CORPORATION**  
500-6205 Airport Road  
Mississauga, Ontario L4V 1E3

**Louis Pilla**  
Tel: (905) 677-5480 ext. 329  
Fax: (905) 677-1851  
Email: pillal@orlandocorp.com

AND TO: **MARTINI BARILE MARUSIC LLP**  
2845 Ouellette Avenue, Suite 200  
Windsor, Ontario N8X 1L5

**Claudio Martini**  
Tel: (519) 969-1817  
Fax: (519) 969-9655  
Email: cmartini@martinibarile.com

**Mava Marusic**  
Tel: (519) 969-1817  
Fax: (519) 969-9655  
Email: mmarusic@martinibarile.com

Lawyers for Dimond Enterprises, LLC

AND TO: **CARTERS PROFESSIONAL CORPORATION**  
70 Gloucester Street  
Ottawa, Ontario K2P 0A2

**Barry W. Kwasniewski**  
Tel: (613) 235-4774  
Fax: (613) 235-9838  
Email: bwk@carters.ca

Lawyers for Barry Mabee

AND TO: **KOSKIE MINSKY LLP**  
20 Queen Street West, Suite 900  
Toronto, Ontario M5H 3R3

**Andrew J. Hatnay**  
Tel: (416) 595-2083  
Fax: (416) 204-2872  
Email: ahatnay@kmlaw.ca

Lawyers for Roberto Costantino and Tony Wong

AND TO: **TEAMSTERS LOCAL UNION NO. 419**  
1890 Meyerside Drive  
Mississauga, Ontario L5T 1B4

**Jason Sweet**  
Tel: (416) 819-5923  
Fax: (905) 838-4095  
Email: jason@teamsters419.ca

AND TO: **DUNLOP & ASSOCIATES**  
3556 Commerce Court  
Burlington, Ontario L7N 3L7

**William D. Dunlop**  
Tel: (905) 681-3311  
Fax: (905) 681-3565  
Email: william.dunlop@dunloplaw.com

Lawyers for General Electric Canada Equipment Finance

AND TO: **BIRENBAUM STEINBERG LANDAU SAVIN & COLRAINE LLP**  
Suite 1000 - 33 Bloor Street East  
Toronto, Ontario M4W 3H1

**Craig R. Colraine**  
Tel. (416) 961-0042  
Fax: (416) 961-2531  
Email: colraine@bslsc.com

Lawyers for Paccar Leasing

AND TO: **SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP**  
333 West Wacker Drive  
Chicago, Illinois  
USA 60606-1285

Michael W. Perl  
Tel.: (312) 407 -0885  
Fax: (312) 827-9383  
E-mail: mperl@skadden.com

Counsel to SKD Automotive Group, Limited Partnership and SKD, L.P.

AND TO: **STRINGER BRISBIN HUMPHREY**  
Management Lawyers  
110 Yonge Street, Suite 1100  
Toronto, ON M5C 1T4

**Jeremy D. Schwartz**  
Tel.: (416) 862-1616  
Fax: (416) 363-7358  
E-mail: jschwartz@sbhlawyers.com

AND TO: **FINANCIAL SERVICES COMMISSION OF ONTARIO**  
5160 Yonge Street  
4th Floor  
Box 85  
North York ON M2N 6L9

**Attention: Legal Counsel**

AND TO: **DEPARTMENT OF JUSTICE**  
The Exchange Tower  
130 King Street West  
Suite 3400  
Post Office Box 36  
Toronto, Ontario  
M5X 1K6

**Diane Winters**  
Tel: 416.973.3172  
Fax: 416.973.0810  
E-mail: diane.winters@justice.gc.ca

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**

Proceeding commenced at Toronto

**NOTICE OF MOTION**

**Goodmans LLP**  
Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham LSUC#: 32326A  
Logan Willis LSUC #53894K  
Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for RSM Richter Inc., in its capacity as  
Receiver

2

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

**THE HONOURABLE MR.            )     THURSDAY, THE 29<sup>TH</sup>**  
  )  
**JUSTICE CAMPBELL            )     DAY OF APRIL, 2010**

**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**

**ORDER**

**THIS MOTION**, made by RSM Richter Inc., in its capacity as the receiver (the “**Receiver**”) of the property, assets and undertaking of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the “**Debtors**”) appointed pursuant to the Order of this Court made June 11, 2009 (the “**Receivership Order**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Receiver dated April 21, 2010, filed, the affidavit of Robert Kofman sworn April 21, 2010, filed, and the affidavit of L. Joseph Latham sworn April 19, 2010, filed, and on hearing the submissions of counsel for each of the Receiver, the Debtors and their respective directors and officers, Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, “**Honda**”), Chrysler Group LLC (“**Chrysler**”) and Ford Motor Company (“**Ford**” and collectively with Honda and Chrysler, the “**Customers**”), no one appearing for

any other person on the Service List, although duly served as appears from the Affidavit of Service of Logan Willis sworn April 21, 2010, filed.

### **DISTRIBUTIONS**

1. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute the Canadian dollar equivalent of USD\$● [to be calculated as at the date of the distribution] to Comerica Bank (“Comerica”) to repay in full the participations (the “Canadian Participations”) funded by the Customers to finance SKD Company’s operations pursuant to the Amended and Restated Subordinated Participation Agreement among the Customers and Comerica Bank dated January 21, 2009, as amended. The distribution of such moneys to Comerica shall constitute the full and final satisfaction of the Debtors’ obligations in respect of the Canadian Participations and the Debtors shall have no further liability in respect of the Canadian Participations upon the payment of such distribution.

2. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute the Canadian dollar equivalent of USD\$90,373 to SKD Limited Partnership to pay in full amounts owing by SKD Company to SKD Limited Partnership and SKD de Mexico, S. de R.L. de C.V. (collectively “SKD U.S.”) on account of amounts that SKD U.S. paid on behalf of SKD Company (“SKD U.S. Refund Claim”). The distribution of such moneys to SKD Limited Partnership shall constitute the full and final satisfaction of the SKD U.S. Refund Claim and the Debtors shall have no further liability in respect of the SKD U.S. Refund Claim upon the payment of such distribution.

3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute \$45,500 to Paccar Leasing Company Ltd. (“Paccar”) to pay in full Paccar’s secured claim against the Debtors (the “Paccar Secured Claim”). The distribution of such moneys to Paccar shall constitute the full and final satisfaction of the Paccar Secured Claim and the Debtors shall have no further liability in respect of the Paccar Secured Claim upon the payment of such distribution, provided that the payment of such distribution shall be without prejudice to the right of Paccar to assert an unsecured claim against the Debtors in respect of other amounts that may be owed to it by the Debtors.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute \$25,773 to Ready Machinery & Equipment (Canada) Inc. ("**Ready Machinery**") to pay in full Ready Machinery's claim against the Debtors, which claim is secured by a lien under the *Repair & Storage Liens Act* (Ontario) (the "**Ready Machinery Secured Claim**"). The distribution of such moneys to Ready Machinery shall constitute the full and final satisfaction of the Ready Machinery Secured Claim and the Debtors shall have no further liability in respect of the Ready Machinery Secured Claim upon the payment of such distribution.

#### **DISBURSEMENT AGREEMENTS**

5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to: (i) enter into and execute the Canadian Disbursement Agreement substantially in the form attached hereto as Schedule "A" (the "**Canadian Disbursement Agreement**") in its capacity as Receiver for and on behalf of the Debtors; and (ii) take such additional steps and execute such additional documents as may be necessary or desirable to complete the transactions contemplated in the Canadian Disbursement Agreement.

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to: (i) enter into and execute the U.S. Disbursement Agreement substantially in the form attached hereto as Schedule "B" (the "**U.S. Disbursement Agreement**") in its capacity as Receiver for and on behalf of the Debtors; (ii) take such additional steps and execute such additional documents as may be necessary or desirable to complete the transactions contemplated in the U.S. Disbursement Agreement.

7. **THIS COURT ORDERS** RSM Richter Inc., in its capacity as disbursing agent and not in its capacity as Receiver or Monitor, is authorized to act as disbursing agent pursuant to the terms and subject to the conditions of the Canadian Disbursement Agreement and the U.S. Disbursement Agreement, as applicable.

#### **REDUCTION OF THE DIRECTORS' CHARGE**

8. **THIS COURT ORDERS** that the Directors' Charge provided for in paragraph 25 of the Order of this Court under the *Companies' Creditors Arrangement Act* in respect of the



Debtors dated January 21, 2009, as amended by the Receivership Order (the “**Initial Order**”), is hereby reduced such that the amount of the Directors’ Charge is \$● [to be calculated as at the date of the Motion in respect of this Order].

**ASSIGNMENTS INTO BANKRUPTCY**

9. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to assign each of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company into bankruptcy, with RSM Richter acting as the trustee in bankruptcy in each such bankruptcy, at such time as the Receiver deems appropriate but in any event following the distribution of all amounts to the Customers as contemplated in the Canadian Disbursement Agreement.

**RECEIVER’S REPORT AND ACTIVITIES**

10. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver reported therein be and are hereby approved.

11. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from June 11, 2009 to and including March 31, 2010, and the fees and disbursements of the Receiver’s counsel, Goodmans LLP, for the period from June 11, 2009 to and including March 31, 2010, be and are hereby approved.

**GENERAL**

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

---

**SCHEDULE A**

**CANADIAN DISBURSEMENT AGREEMENT**

**[To be attached. See current draft attached to the Second Report.]**

**SCHEDULE B**

**U.S. DISBURSEMENT AGREEMENT**

**[To be attached. See current draft attached to the Second Report.]**

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

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

Proceeding commenced at Toronto

**ORDER**

**GOODMANS LLP**  
Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham LSUC (#32326A)  
Logan Willis (LSUC# 53894K)  
Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for the Receiver

3

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) THURSDAY, THE 29<sup>TH</sup>  
JUSTICE CAMPBELL ) DAY OF APRIL, 2010

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

APPROVAL AND VESTING ORDER

**THIS MOTION**, made by RSM Richter Inc., in its capacity as the receiver (the "**Receiver**") of the property, assets and undertaking of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively the "**Debtors**"), appointed pursuant to the Order of this Court made June 11, 2009 (the "**Receivership Order**"), for an order approving the sale transaction (the "**Transaction**") contemplated by the agreement of purchase and sale between the Receiver, as vendor, and Boutin Holdings Limited, as purchaser ("**Boutin**"), accepted on April 6, 2010 as assigned by Boutin and assumed by 2240523 Ontario Inc. (the "**Purchaser**") pursuant to an assignment and assumption of agreement of purchase and sale dated as of April 15, 2010 (collectively, the "**Sale Agreement**") and appended to the Second Report of the Receiver dated April 21, 2010 (the "**Second Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the property described in the Sale Agreement and listed on Schedule "A" hereto (the "**Purchased Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report, filed, and on hearing the submissions of counsel for each of the Receiver, the Debtors and their respective directors and officers, Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, “**Honda**”), Chrysler Group LLC ( “**Chrysler**”) and Ford Motor Company (“**Ford**” and collectively with Honda and Chrysler, the “**Customers**”), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Logan Willis sworn April 21, 2010, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Property to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule “B” hereto (the “**Receiver’s Certificate**”), all of the Debtors’ right, title and interest in and to the Purchased Property shall vest absolutely in the Purchaser, 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 the Receivership Order or the initial Order in respect of the Debtors under the *Companies’ Creditors Arrangement Act* dated January 21, 2009; (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 and (iii) those Claims listed on Schedule “C” hereto (the “**Deleted Encumbrances**”). The items in (i), (ii) and (iii) above are collectively referred to as the “**Encumbrances**”. This Court orders that all of the Encumbrances affecting or relating to the Purchased Property be and are hereby expunged and discharged as against the Purchased Property and that each of the Deleted Encumbrances be and are hereby deleted, expunged and vacated from title to the Purchased Property. The terms “Claims”, “Deleted Encumbrances” and

“Encumbrances” shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “D” (the “**Permitted Encumbrances**”).

3. **THIS COURT ORDERS** that, upon the registration (which, for greater certainty, includes electronic registration) in the Land Registry Office for the Land Titles Division of Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act* duly executed by the Receiver (or the Receiver’s solicitor in accordance with a written direction and/or authorization from the Receiver), the Land Registrar is hereby directed to enter the Purchaser as the registered owner of the Purchased Property in fee simple, and is hereby directed to delete and expunge from title to the Purchased Property all of the Claims listed in Schedule “C” hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Property shall stand in the place and stead of the Purchased Property, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Property with the same priority as they had with respect to the Purchased Property immediately prior to the sale, as if the Purchased Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

6. **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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of one or more of the Debtors;

the vesting of the Purchased Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or



voidable by creditors of the Debtors, 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.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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 to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

---

**Schedule "A" – Purchased Property**

All of PINs 14096-0275 (LT) and 14096-0276 (LT), which are municipally known as 38-40 Holtby Avenue, Brampton, Ontario

**Schedule “B” – Form of Receiver’s Certificate**

Court File No. 09-CL-7960

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

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

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

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (the “**Court**”) dated June 11, 2009, RSM Richter Inc. was appointed as the receiver (the “**Receiver**”) of the property, assets and undertaking of SKD Company, NMC Canada Inc., and 2515080 Nova Scotia Company (collectively the “**Debtors**”).

B. Pursuant to an Order of the Court dated April 29, 2010, the Court approved the agreement of purchase and sale between the Receiver as vendor and Boutin Holdings Limited, as purchaser (“**Boutin**”), accepted on April 6, 2010 as assigned by Boutin and assumed by 2240523 Ontario Inc. (the “**Purchaser**”) pursuant to an assignment and assumption of agreement of purchase and sale (collectively, the “**Sale Agreement**”) and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Property, which vesting is to be effective with respect to the Purchased Property upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the agreed purchase price for the Purchased Property; (ii) that the conditions to closing set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the purchase price of \$2,540,000 for the Purchased Property, subject to adjustments as agreed in the Sale Agreement;
2. The conditions to closing set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ o'clock on \_\_\_\_\_.

**RSM Richter Inc., in its capacity as Receiver of the property, assets and undertaking of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company, and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

### **Schedule "C" – Deleted Encumbrances**

1. Charge by Partnership in favour of Comerica Bank registered in the Land Registry Office for the Land Titles Division of Peel (No. 43) as Instrument No. PR774234.
2. Construction Lien in favour of O'Brien Installations Ltd. registered in the Land Registry Office for the Land Titles Division of Peel (No. 43) as Instrument No. PR1584344.
3. Certificate of Action in favour of O'Brien Installations Ltd. registered in the Land Registry Office for the Land Titles Division of Peel (No. 43) as Instrument No. PR1602573.
4. Application General registered in the Land Registry Office for the Land Titles Division of Peel (No. 43) as Instrument No. PR35744 (PIN 14096-0275(LT)).

### Schedule "D" – Permitted Encumbrances

With respect to both PINs 14096-0275(LT) and 14096-0276(LT):

1. Those matters referred to in Subsection 44(1) of the *Land Titles Act*, except paragraph 11 and 14, provincial succession duties and escheats or forfeiture to the Crown;
2. The rights of any person who would, but for the *Land Titles Act*, be entitled to the land or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
3. Any lease to which the subsection 70(2) of the *Registry Act* applies;
4. By-law VS4231;
5. Site Plan Agreement with the Corporation of the City of Brampton registered as Instrument No. PR338165;
6. Reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown or in any comparable grant from a Person other than the Crown; and
7. Each of the items disclosed in the PINs for the Purchased Property as of the date hereof save and except for the Deleted Encumbrances.

With respect to PIN 14096-0275(LT) only:

1. Agreement with the City of Brampton registered as Instrument No. RO1115425.

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

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

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**

**GOODMANS LLP**

Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham LSUC (#32326A)  
Logan Willis (LSUC# 53894K)  
Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for the Receiver

4



**RSM Richter**

**Second Report of RSM Richter Inc.  
as Court Appointed Receiver of  
NMC Canada, Inc., 2515080 Nova Scotia  
Company and SKD Company**

**RSM Richter Inc.**  
Toronto, April 21, 2010

# Table of Contents

1.	INTRODUCTION.....	1
	1.1 Purposes of this Report	2
	1.2 Currency	3
	1.3 Terms of Reference	4
2.	BACKGROUND .....	4
3.	REAL ESTATE .....	5
	3.1 Brampton Property	5
	3.2 Recommendation Re: Sale of the Brampton Property	6
4.	DIRECTOR'S AND OFFICER'S CLAIMS PROCEDURE.....	8
	4.1 Results of the D&O Claims Process	9
	4.2 Employee Claims	9
	4.3 Trade Creditor Claims	10
	4.4 Reduction of the Directors' Charge	10
5.	FUNDS HELD BY RICHTER.....	11
6.	DISTRIBUTIONS.....	13
7.	POTENTIAL PRIOR RANKING CLAIMS .....	14
8.	DISBURSEMENT AGREEMENTS.....	15
	8.1 Canadian Disbursement Agreement	16
	8.2 US Disbursement Agreement	17
9.	BANKRUPTCY.....	19
10.	FEEES AND DISBURSEMENTS OF THE RECEIVER.....	19
11.	OVERVIEW OF THE RECEIVER'S ACTIVITIES .....	20
12.	RECOMMENDATION .....	21

## Index of Appendices

Appendix "A"	Initial Order
Appendix "B"	Receivership Order
Appendix "C"	Purchaser's Offer for Brampton Property
Appendix "D"	Receiver's First Report (without appendices)
Appendix "E"	Participation Agreement
Appendix "F"	Canadian Disbursement Agreement
Appendix "G"	US Disbursement Agreement

**Court File No.: 09-CL-7960**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
- COMMERCIAL LIST -**

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

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

**SECOND REPORT OF RSM RICHTER INC.  
AS COURT-APPOINTED RECEIVER OF  
NMC CANADA, INC., 2515080 NOVA SCOTIA COMPANY  
AND SKD COMPANY**

**April 21, 2010**

**1. INTRODUCTION**

Pursuant to an order (the "Initial Order") of the Ontario Superior Court of Justice (the "Court") made on January 21, 2009, NMC Canada, Inc. ("NMC"), 2515080 Nova Scotia Company ("2515") and SKD Company ("SKD") (collectively, the "Company") commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed Monitor. On June 11, 2009, the Court issued an order amending the Initial Order, placing the Company in receivership and appointing Richter as Receiver of the Company's property, assets and undertaking ("Receivership Order"). Copies of the Initial Order and the Receivership Order are provided in Appendices "A" and "B", respectively.

## 1.1 Purposes of this Report

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

- a) Provide background information about the Company, the CCAA proceedings and the receivership proceedings;
- b) Advise the Court of an offer submitted by Boutin Holdings Limited and subsequently assigned to 2240523 Ontario Inc. (the "Purchaser") to purchase the Company's property at 40 Holtby Avenue, Brampton (the "Brampton Property"), including the terms of the offer and the events leading to an agreement of purchase and sale between the Purchaser and the Receiver (the "Transaction"), which is subject to Court approval;
- c) Advise the Court of the status of the directors' and officers' claims process ("D&O Claims Process") conducted by the Receiver pursuant to an order of the Court made on November 4, 2009, as amended;
- d) Summarize the funds held by the Receiver in connection with these proceedings;
- e) Summarize the rationale for bankrupting the Company but continuing the receivership proceedings; and
- f) Recommend that this Honourable Court make an order:
  - Approving the Transaction and authorizing the Receiver to execute such documents and take such additional steps as are necessary to complete Transaction;
  - Vesting in the Purchaser, as of closing, title to the Brampton Property, free and clear of all liens, charges, security interests and other encumbrances;
  - Authorizing the Receiver to enter into certain Canadian and US disbursement agreements to be entered into among the Company, SKD Automotive Group, Limited Partnership ("SKD AG"), the Customers<sup>1</sup>, General Motors LLC ("GM"), the Receiver and Richter in its capacity as disbursing agent, and authorizing Richter to act as disbursing agent in accordance with such agreements;

---

<sup>1</sup> References to "Customers" include Ford Motor Company ("Ford"), Chrysler Canada Inc. and Chrysler Group LLC (jointly, "Chrysler") and Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, "Honda").

- Directing the Receiver to make the following distributions:
  - i. The Canadian dollar equivalent of approximately US\$11.315 million, plus interest thereon of approximately US\$629,000, to repay the “participations” funded by the Customers on a subordinated secured basis under the Comerica Bank (“Comerica”) facilities to fund the Company’s operations (the “Canadian Customer Participations”);
  - ii. The Canadian dollar equivalent of US\$90,373 to SKD US (as defined in Section 2 below) for amounts that it paid to Comerica on the Company’s behalf;
  - iii. \$25,773 in satisfaction of a claim by Ready Machinery & Equipment (Canada) Inc. (“Ready Machinery”) secured by a lien pursuant to the Repairs and Storage Liens Act (“RSLA”) against the Company’s 1000 Ton Verson 108-72 Press (s/n 25917) (the “RSLA Claim”); and
  - iv. \$45,500 in satisfaction of a secured claim by Paccar Leasing (“Paccar”);
- Authorizing the Receiver to assign each of SKD’s partners and SKD into bankruptcy with Richter acting as the trustee in bankruptcy in each case;
- Approving the fees and disbursements of the Receiver and its counsel, Goodmans LLP (“Goodmans”), as detailed in the affidavits of Robert Kofman, sworn April 21, 2010 (“Kofman Affidavit”), and Joseph Latham, sworn April 19, 2010 (“Latham Affidavit”), respectively; and
- Approving the Receiver’s actions and activities as described in this Report.

## 1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars. US dollars have been converted to Canadian dollars at par.

### **1.3 Terms of Reference**

In preparing this Report, the Receiver has relied upon the Company's books and records, including information assembled by and analyses performed by Company employees. The Receiver 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 the Receiver's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver 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 Receiver in preparing this Report.

Unless otherwise noted in this Report, all capitalized terms not defined herein have the meaning ascribed to them in the Initial Order and/or the Receivership Order.

## **2. BACKGROUND**

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

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

Additional information concerning the Company and these proceedings is provided in Richter's report dated January 21, 2009 (filed as proposed monitor), Richter's prior reports filed in the CCAA proceedings in its capacity as Monitor and in the receivership proceedings as Receiver. Copies of these reports can be found on Richter's website at [www.rsmrichter.com](http://www.rsmrichter.com).

### **3. REAL ESTATE**

At the end of June, 2009 the Receiver engaged Colliers MaCaulay Nicolls (Ontario) Inc. ("Colliers") to market for sale the Brampton Property and the Company's real estate at 375 Wheelabrator Way, Milton, Ontario (the "Milton Property"). At the expiration of the listing term with Colliers at the end of January, 2010, the Receiver terminated Colliers and engaged CB Richard Ellis Limited ("CBRE") to continue to market the Brampton and Milton Properties. Throughout the marketing process there has been greater activity with respect to the Milton Property due to some of its unique features and its more desirable location. Although offers have been received for the Milton Property, the Receiver has not yet been able to complete a transaction for this property.

#### **3.1 Brampton Property**

Based on the advice of Colliers and other information available at the time of the Colliers listing agreement, the Brampton Property was originally listed for sale at \$5.934 million - there was very little interest at that price. In consultation with CBRE, in February, 2010 the listing price was reduced to \$3.9 million and CBRE commenced marketing the Brampton Property.



The Purchaser originally submitted an offer of \$2 million for the Brampton Property in November 2009. The Receiver did not counter this offer. On February 4, 2010 the Purchaser increased its offer to \$2.4 million. On April 6, 2010, following several rounds of "sign backs", the Receiver accepted the Purchaser's offer in the amount of \$2.54 million. The Transaction is subject to Court approval.

The Transaction contemplates a closing date of April 30, 2010 and is consistent with standard insolvency transactions, i.e. limited representations and warranties. On April 9, 2010, the Purchaser paid a deposit of \$400,000 to CBRE, which is currently being held in trust by it pending closing.

Throughout the negotiation process the Receiver has kept the Customers apprised of its dealings with respect to the sale of the Brampton Property. Each of the Customers has advised the Receiver that it supports the Transaction.

A copy of the Purchaser's offer is attached as Appendix "C".

### **3.2 Recommendation Re: Sale of the Brampton Property**

The Receiver recommends that the Court issue an order approving the Transaction and vesting title in the Purchaser for the following reasons:

- The Brampton Property was exposed to the market by professional real estate firms for approximately nine months using traditional methods to sell commercial real estate;
- CBRE, which is familiar with the local real estate market and the specific attributes of the Brampton Property, has advised the Receiver that, based on their knowledge and on feedback received from other parties which have toured the Brampton Property, it is highly unlikely that a better offer would be presented for the Brampton Property in the near term;

- The Purchaser's offer is the highest and best received and is conditional only upon Court approval;
- In CBRE's view, the purchase price represents the current market value for this property given current market conditions for similar commercial real estate – there have not been many comparable commercial real estate transactions in the Greater Toronto Area West market since January, 2008;
- Ongoing costs associated with maintaining the Brampton Property would be eliminated – these total approximately \$35,000 per month; and
- The Customers support the Transaction. The Customers are the most significant secured and unsecured<sup>2</sup> creditors of the Company.

### **3.2.1 O'Brien Installations Ltd.**

On October 28, 2009, Eccleston LLP ("Eccleston"), counsel to O'Brien Installations Ltd. ("O'Brien"), contacted Goodmans to advise of O'Brien's lien claim of approximately \$132,000 registered against the Brampton Property (the "O'Brien Claim"). Goodmans had requested that Eccleston provide it with supporting documentation in respect of the O'Brien Claim. As of the date of this Report, Goodmans had received a statement of claim and certificate of action, but had received no other documentation to support this claim. Goodmans intends to continue to follow up with Eccleston; however, pursuant to the terms of the Vesting Order, any claim in favour of O'Brien, if any, is to be transferred to and will be enforceable against the proceeds generated from the sale of the Brampton Property. The Receiver believes that this claim, if any, will not be prejudiced by the Transaction and that the merits of the claim can be dealt with in the future.

---

<sup>2</sup> The Customers funded approximately \$10.1 million to the Company on an unsecured basis during the CCAA proceedings to fund various payments that were made to the Company's employees under union settlement agreements approved by the Court on April 3, 2009.

#### 4. DIRECTOR'S AND OFFICER'S CLAIMS PROCEDURE

The Initial Order created a \$3 million charge in favour of the Company's Directors and Officers (the "Directors' Charge") for claims arising under paragraphs 7(a), 9(a), 9(b) and 9(c) of the Initial Order.

On November 4, 2009 an order (the "Claims Procedure Order") was made by this Honourable Court approving the D&O Claims Process in order to allow the Receiver to determine whether claims existed against the Directors' Charge. An overview of the Receiver's activities related to the D&O Claims Process is as follows<sup>3</sup>:

- On November 6, 2009, the Receiver sent by ordinary mail a copy of the Proof of Claim Document Package to each person set out in the Claims Procedure Order, with the inadvertent exception of the parties on the service list. A copy of the Proof of Claim Document Package was also posted on the Receiver's website in accordance with the Claims Procedure Order, which required that the Receiver post notice of the D&O Claims Process on its website;
- As noted, the distribution of the Proof of Claim Document Package was inadvertently not sent to parties on the service list, as required by the Claims Procedure Order. Accordingly, on February 5, 2010 the Court issued an order extending the Claims Bar Date to February 26, 2010 ("Extended Claims Bar Date") for service list parties. The Proof of Claim Document Package was circulated to these parties on February 5, 2010;
- The Receiver placed notices in *The Globe and Mail (National Edition)* and *Automotive News*, which appeared on November 10, 2009 and November 16, 2009, respectively;
- The Receiver reviewed all claims received by the Claims Bar Date (and by the Extended Claims Bar Date for those parties on the service list) and provided summaries with respect to same to Lang Michener LLP ("Lang Michener"), counsel to the Directors and Officers;

---

<sup>3</sup> Unless otherwise defined in this Report, defined terms in this section have the meaning provided to them in the Claims Procedure Order.

- The Receiver corresponded with Goodmans and Lang Michener regarding certain employee claims in respect of overtime equalization amounts; and
- The Receiver issued Notices of Revision or Disallowance (“Notices”) on or about April 1, 2010 and provided copies of the Notices to Lang Michener.

#### 4.1 Results of the D&O Claims Process

Seventy-nine claims were filed with the Receiver by the Claims Bar Date. Three claims were filed after the Claims Bar Date (“Late Filed Claims”) and one additional claim was filed by the Extended Claims Bar Date. A summary of the claims filed is provided in the following table.

Type	Number of claims filed <sup>4</sup>	Amount <sup>5</sup> (\$000s)
Employee claims	48	1,254
Trade creditor claims	35	765
Total	83	2,019

#### 4.2 Employee Claims

Forty-five employee claims were received on or before the Claims Bar Date and three employee claims were received after the Claims Bar Date.

The Receiver is of the view that, with the possible exception of four employee claims discussed in the following paragraph, none of the employee claims fall within the definition of a “D&O Claim” as defined in the Claims Procedure Order. The majority of the employee claims relate to severance and/or termination pay and pension fund obligations, which are

<sup>4</sup> Includes the Late Filed Claims totaling \$9,500; two of the three Late Filed Claims did not include dollar amounts.

<sup>5</sup> Pursuant to paragraph 8 of the Claims Procedure Order, claims submitted in a currency other than Canadian dollars shall be converted to Canadian dollars using the Bank of Canada noon spot rate on the Claims Record Date (June 11, 2009). Accordingly, claims submitted in US dollars were converted to Canadian dollars at a rate of 1.0982. As well, there were six employee claims and one trade creditor claim for which no dollar amount was provided.

not subject to the Directors' Charge. There were also twenty-seven employee claims filed, for which no description or supporting documentation was provided.

One employee claim was filed in the amount of \$1,900 in respect of vacation pay. The Receiver agreed to a settlement of this claim for \$1,500. In addition, the Receiver is attempting to settle claims filed by three employees in respect of overtime equalization payments totalling \$136,000.

As of the date of this Report, the Receiver had issued Notices disallowing all employee claims filed as D&O Claims, other than the three employee claims filed related to overtime equalization payments.

#### **4.3 Trade Creditor Claims**

Thirty-five trade creditors filed claims for amounts owing for goods and/or services provided to the Company prior to January 21, 2009. The Receiver is of the view that these claims do not fall within the definition of a D&O Claim.

The Receiver issued Notices disallowing these claims in their entirety.

#### **4.4 Reduction of the Directors' Charge**

As of the date of this Report, no disputes<sup>6</sup> have been filed in respect of any of the Notices, but the time to file a dispute has not yet expired for all Notices. Those claims in respect of which the time to file a dispute has expired are now barred pursuant to the Claims Procedure Order, as amended. The chart below summarizes the expiry dates for all disputes to be filed based upon the date of deemed receipt of the Notice under the Claims Procedure Order.

---

<sup>6</sup> The Receiver received one notice of dispute from an employee that had filed a D&O Claim of approximately \$37,000 in respect of severance and termination amounts. The claimant has since provided the Receiver with a letter advising that he has withdrawn his notice of dispute.

Number of Claims	Deemed receipt of Notice	Expiry of Objection Period	Amount (\$000s)
2	April 1, 2010	April 15, 2010	61
65	April 5, 2010	April 16, 2010	1,494
12	April 8, 2010	April 21, 2010	287
1	April 16, 2010	April 29, 2010	41
3	TBD	TBD	136
			<u>2,019</u>

It is clear that the full amount of the Directors' Charge is no longer needed, as the total of all claims filed in the D&O Claims Process was approximately \$2.019 million, meaning that \$981,000 of the Directors' Charge is clearly in excess of what would be required to satisfy all claims filed in the D&O Claims Process. Assuming no disputes are filed to the Notices by the date of hearing this matter, only approximately \$177,000 would need to be held back as of April 29, 2010 to secure the entire amount of the remaining claims made in the D&O Claims Process. The Receiver intends to submit a supplement to this Report after April 21, 2010 to update the Court on the status of the D&O Claims Process and to confirm the amount the Receiver believes should be held back to secure remaining potential D&O Claims. The Receiver recommends that the Directors' Charge be reduced on the return of this motion to the amount required to secure such claims.

## 5. FUNDS HELD BY RICHTER

Richter, in its capacities as Receiver and as Escrow Agent (as defined in the Monitor's tenth report to Court, dated June 8, 2009), presently maintains the following accounts:

Account Type	Held By	Amount (\$000s) <sup>7</sup>
General Account	Receiver	13,986
Trust Account (Directors' Obligations)	Receiver	1,286
Trust Account (Chrysler)	Receiver	831
Union Escrow Account	Escrow Agent	261
Retention Escrow Account	Escrow Agent	122

<sup>7</sup> Account balances are as at April 16, 2010.

A summary of these accounts is as follows:

- The monies in the General Account include proceeds transferred from the Monitor's accounts, which include, *inter alia*, proceeds from the sale transactions previously approved by this Honourable Court and from the collection of accounts receivable. The funds in this account also include the net minimum guarantee paid by Maynards Industries Ltd. ("Maynards") in respect of the sale of the Company's fixed assets and federal income tax refunds received from Canada Revenue Agency. The funds held in this account are net of operating costs paid during the receivership period.
- The monies in the Trust Account (Directors' Obligations) were funded by the Customers to the Company at the commencement of the CCAA proceedings to be held in trust to satisfy potential post-CCAA directors' obligations for employee obligations (including wages and vacation pay). The Receiver is not aware of any unpaid post-filing employee obligations.
- The monies in the Trust Account (Chrysler) were paid to Richter by Chrysler pending resolution of items in dispute between Chrysler and the Company. These items remain unresolved.
- The monies in the Union Escrow Account were funded by the Customers to the Company on an unsecured basis to be paid to the Company's former unionized employees for severance and termination pay. Payments made to employees totalled approximately \$9.8 million. There are no known amounts owing to the employees for these obligations; however, on or about July 30, 2009, counsel to the United Steelworkers Union ("USW") contacted Goodmans regarding three Company employees who were terminated prior to the commencement of the CCAA proceedings and were not included as part of the union settlement agreement. The USW believes that these individuals should have been beneficiaries of the union settlement agreement. The Company and the Customers dispute this. On January 21, 2010, Goodmans advised counsel to the USW that it is the Receiver's view that the referenced individuals were appropriately excluded from the union settlement agreement. The USW's counsel had previously advised Goodmans that it may seek to bring a motion on this matter. As of the date of this Report, the Receiver has not heard from the USW on this matter.
- The monies in the Retention Escrow Account were funded by way of Customer Participations in March, 2009 to be distributed to the "Non-Go-Forward Employees"<sup>8</sup>. Payments totalling approximately \$1.1 million were made to the Non-Go-Forward Employees. The funds remaining in this account relate to over-funding by the Customers, as they provided funding for four employees who had previously been terminated.

---

<sup>8</sup> Defined in the Additional Participations and Allocation Agreement as certain of the Company's salaried employees who were not offered employment by any purchaser of the Company's businesses.

## 6. DISTRIBUTIONS

As at April 30, 2010, the Receiver anticipates having the following proceeds available for distribution to creditors and/or funding ongoing operating expenses:

	Amount (\$000s)
General Account – as at April 5, 2010	13,986
Proceeds from the sale of the Brampton Property <sup>9</sup>	2,451
Less: Estimated April operating expenses	(105)
Estimated General Account as at April 30, 2010	16,332
Trust Account (Directors' Obligations)	1,286
Less: Holdback for O'Brien Claim	(132)
Less: Estimated holdback for Directors' Charge	(177)
Projected cash available for operating expenses and for distributions, April 30, 2010	17,309

The Receiver is seeking approval of this Honourable Court to make the following distributions:

- The Canadian dollar equivalent of approximately US\$11.315 million and approximately US\$629,000 to Comerica in satisfaction of the principal and interest amounts owing under the Canadian Customer Participations;

Details related to Comerica's security are provided in Section 4 of the Receiver's first report to Court dated October 23, 2009 ("First Report"). A copy of the First Report (without appendices) is attached as Appendix "D";

- The Canadian dollar equivalent of US\$90,373 to SKD US to fully satisfy any and all amounts that it paid on behalf of the Company, including US\$53,000 in respect of the net amount paid to Comerica by SKD US on behalf of the Company and US\$37,373 in respect of professional fees owing to Comerica's Canadian legal counsel paid by SKD US;
- \$25,773 in satisfaction of Ready Machinery's RSLA Claim, which is secured by a lien against a 1000 Ton Verson 108-72 Press (s/n 25917) ("Press"). The Press was sold at auction for \$55,000. Goodmans has reviewed the RSLA Claim and has advised that the RSLA Claim is valid and enforceable; and

<sup>9</sup> Net of real estate commissions.



- \$45,500 to Paccar in satisfaction of its secured claim against the Company. Paccar had claimed ownership to and security in a truck and tractor (“Paccar Assets”) that were located at the Company’s Milton Property. While Paccar has perfected its security, the Receiver believes Paccar’s interests to be subordinated to Comerica’s security. Given the Comerica loans, including the Canadian Customer Participations, will be repaid in full, it is the Receiver’s view that it is appropriate to satisfy Paccar’s secured claim at this time. The Paccar Assets were sold at auction for \$45,500.

The recommended distributions do not involve any of the monies held in the Union Escrow Account, Retention Escrow Account or the Chrysler Trust Account.

## **7. POTENTIAL PRIOR RANKING CLAIMS**

The Receiver is not aware of any claim that ranks or may rank in priority to Comerica for which there will not be sufficient funds remaining in the bank accounts maintained by the Receiver. In this regard, the Initial Order created the following charges which rank in priority to Comerica:

- The Administration Charge (up to \$1 million). The Administration Charge provides a charge in favour of certain professionals involved in the CCAA proceedings. All such amounts have been paid or are otherwise sufficiently covered by retainers previously paid in the CCAA proceedings to various professionals.
- The Directors’ Charge. As detailed in Section 6 above, the funds remaining in the Receiver’s accounts, net of the proposed distributions, should be more than sufficient to satisfy any potential claims that may arise in the D&O Claims Process.

Other than the claims that are subject to the Administration Charge, the Directors’ Charge, the RSLA Claim and the O’Brien Claim, the Receiver is not aware of any other claims that may rank in priority to Comerica. The Receiver is presently working to resolve the O’Brien Claim and in any event the proceeds of the Brampton Property are well in excess of the amount potentially owing to O’Brien.

## 8. DISBURSEMENT AGREEMENTS

At the commencement of the CCAA proceedings, the Customers and GM agreed to purchase from Comerica, for cash, undivided subordinated interests (being the Canadian Customer Participations as it related to funding provided to the Company and “US Customer Participations” as it related to funding provided to SKD US) in Comerica’s loans to SKD AG and the Company pursuant to the Amended and Restated Subordinated Participation Agreement dated January 21, 2009 (“Participation Agreement”), as amended. A copy of the Participation Agreement is attached as Appendix “E”.

Paragraph 7 of the Participation Agreement contemplates that, in the event the Customers are entitled to receive any payment on account of their Canadian and/or US Customer Participations under the Participation Agreement, after payment in full of the senior obligations owing to Comerica, such payment is to be paid to a disbursing agent for disbursement by it under a separate agreement among the Customers, GM, the Company and SKD AG. As reported in the First Report, the senior obligations owing to Comerica have been repaid in full.<sup>10</sup>

For the purpose of repaying the Canadian Customer Participations from the Company’s estate (“Canadian Distributions”) and for the purpose of repaying the US Customer Participations from the estate of SKD US (“US Distributions”), Richter has indicated its willingness to act as disbursing agent (“Disbursing Agent”), subject to agreement on the terms of its mandate. Accordingly, the Customers, GM, the Company, SKD AG and Richter, in its capacity as Disbursing Agent and not in its personal or corporate capacity, are in the latter stages of negotiating disbursement agreements for Canadian and US Distributions (the

---

<sup>10</sup> Subject to accrued professional fees of Comerica.

“Canadian Disbursement Agreement” and the “US Disbursement Agreement”, respectively). The Canadian and US Disbursement Agreements are well advanced but have not yet been finalized. Current drafts of the Canadian and US Disbursement Agreements are attached as Appendices “F” and “G”, respectively.

Capitalized terms not otherwise defined in this section of the Report have the meanings provided to them in the Canadian and US Disbursement Agreements.

### **8.1 Canadian Disbursement Agreement**

The principal terms of the Canadian Disbursement Agreement are as follows:

- The Disbursing Agent is acting solely for the convenience of the parties to the Canadian Disbursement Agreement and shall not be deemed to be the agent of any of the parties;
- The Disbursing Agent is a separate party, distinct from Richter in its capacity as Monitor and Receiver;
- Subject to this Honourable Court’s approval, the Receiver shall transfer to Comerica the Canadian Distributions to be applied against the Comerica loans in satisfaction of the Canadian Customer Participations as detailed in Section 6 above;
- The Receiver, on behalf of the Company, SKD AG, the Customers and GM shall execute and deliver to Comerica a direction, authorizing and directing Comerica to transfer the Canadian Distributions to the Disbursing Agent immediately after receipt by Comerica of the funds from the Receiver;
- The Receiver, on behalf of the Company, SKD AG, the Customers and GM shall execute and deliver to the Disbursing Agent a direction to distribute the Canadian Distributions to the Customers in full and final repayment of the Canadian Customer Participations; and
- The Disbursing Agent may resign upon thirty days written notice to the Company, SKD AG, the Customers and GM or such shorter notice as they may accept in writing as sufficient and shall thereafter pay any funds remaining in the Disbursing Agent’s account to the replacement disbursing agent.

## 8.2 US Disbursement Agreement

The principal terms of the US Disbursement Agreement are as follows:

- The Disbursing Agent is acting solely for the convenience of the parties to the US Disbursement Agreement and shall not be deemed to be the agent of any of the parties;
- The Disbursing Agent is a separate party, distinct from Richter in its capacity as Monitor and Receiver;
- The Receiver, on behalf of the Company, SKD AG, the Customers and GM shall execute and deliver to Comerica a direction authorizing and directing Comerica to transfer the entirety of the US funds maintained in the SKD L.P. Comerica bank account (approximately \$10.5 million) to the Disbursing Agent;
- The Receiver, on behalf of the Company, SKD AG, the Customers and GM shall execute and deliver to the Disbursing Agent a direction directing the Disbursing Agent to distribute US Distributions to the Customers and GM in full repayment of the US Customer Participations;
- The Disbursing Agent shall hold back an amount of approximately \$1.8 million ("Holdback") on account of Unresolved Claims among the Customers, GM and SKD US and shall hold the Holdback until directed to distribute the Holdback pursuant to directions to be executed by the Company, SKD AG, the Customers and GM once the Unresolved Claims have been settled or otherwise resolved;
- SKD AG, the Customers and GM will work to settle the Unresolved Claims within ninety days after the US Disbursement Agreement is executed. After the ninety-day period, any remaining Unresolved Claims will be submitted to a commercial arbitration panel of the American Arbitration Association located in Oakland County, Michigan;
- The Receiver, on behalf of the Company, SKD AG, the Customers and GM are to execute and deliver to the Disbursing Agent a direction directing the Disbursing Agent to distribute the remaining funds maintained in the SKD L.P. Comerica bank account after the repayment of the US Distributions, to SKD AG, or as SKD AG may direct, on account of SKD AG's residual entitlement to proceeds generated from the sale and realization of the assets of SKD US. These funds cannot be distributed by the Disbursing Agent until SKD AG and the Receiver finalize terms on a settlement for the sharing of such amount between the Receiver and Tang Industries, Inc., which the Receiver understands are the only remaining creditors of SKD AG;

- Pursuant to the terms of the US Disbursement Agreement, the Disbursing Agent shall maintain a US dollar bank account at a US financial institution for the purpose of executing its duties under the US Disbursement Agreement;
- The US Disbursement Agreement is to be governed by the laws of the state of Michigan and subject to the jurisdiction of the court in the State of Michigan; and
- The Disbursing Agent may resign upon thirty days' written notice to the Company, SKD AG, the Customers and GM or such shorter notice as they may accept in writing as sufficient and shall thereafter pay any funds remaining in the Disbursing Agent's account to the replacement disbursing agent.

One outstanding issue with respect to the repayment of the Canadian Customer Participations is the request by Comerica for a paragraph in the applicable Court Order providing that, as Comerica's secured interests rank in priority to those of the Customers, any person with a claim against any of the repaid Canadian Customer Participations would have to claim first against the Customers before making any claim against Comerica.

The Receiver understands that at least some of the Customers are unwilling to consent to the inclusion of such a provision in the applicable Court Order. Those Customers take the position that the Participation Agreement, which governs the terms of the Canadian Customer Participations, already expressly addresses the extent to which the Customers are liable for distributions made in respect of the Canadian Customer Participations. Specifically, Section 5 of the Participation Agreement provides that if Comerica is required to disgorge any amounts it has received on account of the loans, the Customers are required to reimburse Comerica for such disgorged amounts up to the maximum amount of any distributions they have received on account of the loans. The Customers have also agreed to the inclusion of this language in the directions to be given to Comerica under the Canadian and US Disbursement Agreements. The Customers do not believe that Comerica should have the benefit additional Court-ordered relief in this regard that would go beyond the

protection provided to Comerica in the Participation Agreement.

The Receiver understands that the parties are continuing to discuss this issue, which they will endeavour to resolve in advance of the motions scheduled for April 29, 2010.

## **9. BANKRUPTCY**

The Receiver believes that the Company should be placed into bankruptcy in order to utilize the claims process mechanisms of the *Bankruptcy and Insolvency Act* to determine the unsecured claims against the Company and to distribute monies to unsecured creditors. Given Richter's knowledge of these CCAA and receivership proceedings, it is of the view that it is appropriate for it to be named as the Trustee in Bankruptcy. Paragraph 3(q) of the Receivership Order authorizes the Receiver to make an assignment in bankruptcy on behalf of the Company. The Receiver is of the view that the receivership proceedings should continue in order for it to complete certain matters commenced during the receivership proceedings, including the D&O Claims Process, the sale of the owned real property and certain other administrative matters.

## **10. FEES AND DISBURSEMENTS OF THE RECEIVER**

The Receiver's fees and disbursements, including GST, for the period June 11, 2009 to March 31, 2010 total approximately \$679,000. Goodmans' fees and disbursements, including GST, for the period July 9, 2009 to March 31, 2010 total approximately \$244,000. Detailed invoices in respect of the fees and disbursements of the Receiver and Goodmans are provided in exhibits to the Kofman Affidavit and Latham Affidavit, filed in respect of this motion.

## 11. OVERVIEW OF THE RECEIVER'S ACTIVITIES

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

- Attending at the Company's premises on a periodic basis in order to carry out its activities in accordance with the Receivership Order;
- Monitoring the removal of assets after the completion of the auctions held by Maynards at the Company's Milton and Brampton Properties;
- Corresponding with Maynards regarding assets sold on a commission basis by Maynards pursuant to the terms of the Asset Purchase and Liquidation Services Agreement;
- Negotiating the Transaction and the agreement of purchase and sale for the sale of the Brampton Property;
- Corresponding with Colliers and subsequently CBRE regarding various matters concerning the marketing of the Company's real estate;
- Engaging CBRE to handle the marketing and sale of the Milton and Brampton Properties;
- Engaging Golder Associates Ltd. ("Golder") to conduct phase I and II environmental audits of the Milton and Brampton Properties;
- Reviewing environmental reports prepared by Golder;
- Dealing with other matters pertaining to the maintenance of the Milton and Brampton Properties;
- Administering the D&O Claims Process;
- Drafting and finalizing the interim report of the Receiver prepared pursuant to subsection 246(2) of the *Bankruptcy and Insolvency Act*;
- Negotiating terms of the Canadian Disbursement Agreement and US Disbursement Agreement;
- Negotiating the Settlement Agreement;
- Reviewing financial statements prepared by a Company representative for the fiscal year ending December 31, 2009;

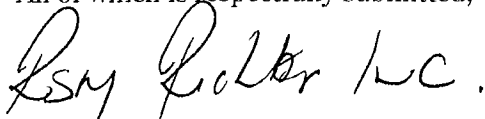
- Disbursing funds from the post-receivership bank accounts in satisfaction of obligations incurred during the receivership period;
- Dealing with employee claims under the *Wage Earner Protection Program Act*;
- Responding to creditors and former employees regarding these proceedings;
- Corresponding with the Receiver's counsel to deal with various matters in respect of this mandate;
- Placing on its website copies of materials filed in these proceedings;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

## 12. RECOMMENDATION

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

\* \* \*

All of which is respectfully submitted,



**RSM RICHTER INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER OF NMC CANADA, INC.,  
2515080 NOVA SCOTIA COMPANY AND SKD COMPANY  
AND NOT IN ITS PERSONAL CAPACITY**



**A**

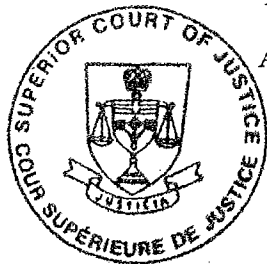
Court File No. 09-CL-7960

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) THURSDAY, THE 11<sup>TH</sup>  
 )  
JUSTICE COLIN CAMPBELL ) DAY OF JUNE, 2009

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

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



Applicants

**ORDER**

THIS MOTION, made by Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc. (collectively, "Chrysler") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C.43, as amended (the "CJA") appointing RSM Richter Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of SKD Company, including its general partners, 2515080 Nova Scotia Company and NMC Canada Inc. (collectively, the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the tenth report (the "Tenth Report") of RSM Richter Inc., as monitor of the Debtor (the "Monitor") appointed pursuant to the Order of this Court made in this proceeding on January 21, 2009, as amended (the "Initial Order"), and on hearing submissions from counsel for Chrysler, as well as counsel for SKD Company, the Receiver, Comerica Bank ("Comerica"), Orlando Corporation, 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 and Ford Motor Company, no else on the service list appearing, and on reading the consent of RSM Richter Inc. to act as Receiver.

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. THIS COURT ORDERS that, pursuant to section 101 of the CJA, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property (which shall, for greater certainty, include the proceeds of sale of assets of the Debtor held by the Monitor as at the date hereof), and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever

basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to undertake environmental assessments of the Property;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (q) to make an assignment into bankruptcy on behalf of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the "CCAA Parties");

- (r) to take actions on behalf of the Debtor in furtherance of the winding-up and administration of registered defined benefit pension plans administered by the Debtor;
- (s) to propose a process for the identification of any claims against officers and directors of the Debtor that may give rise to a claim for indemnity pursuant to paragraph 24 of the Initial Order (the "D&O Claims Process") and to administer the D&O Process as ordered by this Court on motion made on notice to all affected persons;
- (t) to arrange with counsel to the Debtor, or such other counsel as is consented to by the Receiver or ordered by this Court, for its retainer to act as counsel for the directors and officers of the Debtor in relation to the Claims Process, and to pay the reasonable fees, disbursements and expenses of such counsel, as approved by the Receiver or ordered by this Court;
- (u) to pay, on behalf of the CCAA Parties, the reasonable fees and disbursements of the Monitor, counsel for the Monitor and counsel for the CCAA Parties in relation to accounts rendered pursuant to paragraph 33 of the Initial Order; and
- (v) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person. For greater certainty, the Receiver shall not, without specific authorization from this Court (i) undertake any of the operations of the Debtor, or (ii) employ any former employee of the Debtor to assist in the Receiver's mandate, save and except for term and task engagements pursuant to written agreements entered into with the Receiver.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.



### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

13. THIS COURT ORDERS that all funds currently held by the Monitor in respect of its mandate as monitor, save and except for any amounts held by the Monitor in its capacity as escrow agent pursuant to the Employee Escrow Agreements (as defined in paragraph 22 of this Order), shall be transferred to the Post Receivership Accounts, provided that all such funds, and all other Property of the Debtor transferred to the Receiver, shall remain subject to the CCAA Charges, as such charges are defined in the Initial Order.

## **EMPLOYEES**

14. THIS COURT ORDERS that the Receiver shall not employ any employees of the Debtor, save and except for term and task engagements pursuant to written agreements entered into with the Receiver. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

15. THIS COURT ORDERS that, the Receiver shall not disclose personal information of identifiable individuals to any party without the knowledge or consent of the individuals in question.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and, subject to this Order, shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

19. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **CCAA ORDER**

21. THIS COURT ORDERS AND DECLARES that, except as otherwise amended hereby, the Initial Order, as amended, and all other Orders of this Court granted in these proceedings remain in full force and effect, and that the Administration Charge and the Directors' Charge created under the Initial Order shall rank prior to the Receiver's Charge created by this Order.

22. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended to delete, effective as of the date hereof, paragraphs 3, 4, 5, 7, 10, 13, 14, 15, 16, 21, 28(d), 28(g), 28(h), 28(i), 28(l), 28(p), 36(a), 43, 44, 49, 51 and 55 , and to delete, effective as of the date hereof, the second sentence of paragraph 33; provided that nothing in this Order or the amendment of the Initial Order as provided for herein, shall (a) preclude the Monitor from the performance of its duties and responsibilities as the escrow agent under the Employee Retention Plan Escrow Agreement, as defined in the Order of this Court made on March 31, 2009, and the Escrow Agreements, as defined in the Order of this Court made on April 3, 2009, as amended by Order made on April 30, 2009 (the Escrow Agreements and the Employee Retention Plan Escrow Agreement, collectively referenced hereinafter as the "Employee Escrow Agreements"); or (b) preclude the Monitor from the disbursement of any funds provided for under the Employee Escrow Agreements.

23. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended, effective as of the date hereof, as follows:

- (i) paragraph 6 of the Initial Order is amended to delete the existing paragraph in its entirety and insert in its place "THIS COURT ORDERS AND DECLARES that Comerica and any bank providing or participating in the Cash Management System (as defined in the Initial Order dated January 21, 2009) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and that Comerica and any such bank shall at all times have provided the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties and Comerica.";
- (ii) the fourth line of paragraph 8 of the Initial Order is amended to insert "and prior to June 11, 2009" after "date of this Order";
- (iii) the first line of paragraph 23 of the Initial Order is amended by deleting the words "during the Stay Period" from the first line, and replacing them with "unless otherwise ordered by this Court";
- (iv) the seventh line of paragraph 24 (ii) of the Initial Order is amended by inserting, " and prior to June 11, 2009" after "from and after the date of this Order"; and
- (v) the second line of paragraph 36(b) is amended to insert "(as defined in the Initial Order dated January 21, 2009)" after "Credit Agreement".

**GENERAL**

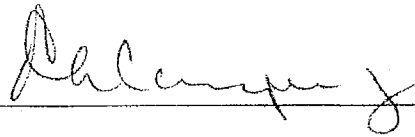
24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. 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 to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.


27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

28. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

JAN 11 2000

PER / PAR: 

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  
515080 NOVA SCOTIA COMPANY.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDINGS COMMENCED AT**  
**TORONTO**

**ORDER**

**BORDEN LADNER GERVAIS LLP**  
Barristers and Solicitors  
Scotia Plaza, 40 King Street West  
Toronto, Ontario M5H 3Y4

**CRAIG J. HILL**  
(LSUC Reg. No. 31888K)  
Direct Dial (416) 367-6156  
Direct Fax (416) 361-7301

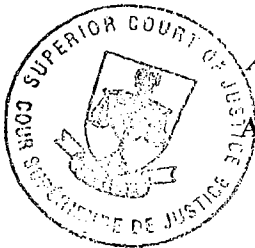
Lawyers for Chrysler LLC, Chrysler Motors  
LLC and Chrysler Canada Inc.

**B**

COURT FILE NO. 09-CL- 7960

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) WEDNESDAY, THE 21ST DAY  
OF JANUARY, 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

**INITIAL ORDER**

THIS APPLICATION, made by NMC Canada, Inc. ("NMC") and 2515080 Nova Scotia Company ("2515080") (collectively, the "Applicants" and any one, an "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Chen sworn January 21, 2009 (the "**Chen Affidavit**") and the Exhibits thereto and the report of RSM Richter Inc. ("**Richter**") as the proposed monitor in these proceedings (the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, and counsel for Richter, Comerica Bank ("**Comerica**"), the Customers (as defined below), General Motors Corporation ("**GM**"), the National Automobile, Aerospace, Transportation and General Workers of Canada and its Local 1285 (the "**CAW**"), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union (the "**USW**") and the Teamsters Local Union No. 419 (the "**Teamsters**" and, together with the CAW and USW, the "**Unions**" and, any one, a "**Union**"), no one else on the Service List appearing and on reading the consent of Richter to act as the Monitor,



## **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are debtor companies to which the CCAA applies. Although not an Applicant, this Court further orders and declares that SKD Company, as 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**"), shall enjoy the benefits of the protections provided by this Order and shall be treated as if an applicant under this Order.

## **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "**Plan**") between, *inter alia*, the CCAA Parties or any of them and one or more classes of their secured and/or unsecured creditors, as they deem appropriate.

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the CCAA Parties shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the CCAA Parties shall continue to carry on business in a manner consistent with the preservation of their businesses (the business of the CCAA Parties, collectively, the "**Business**") and Property. The CCAA Parties shall be authorized and empowered to continue to retain and employ the employees, consultants, financial advisors, agents, experts, accountants, counsel, appraisers and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably

necessary or desirable in the ordinary course of business, for the carrying out of the terms of this Order or to assist the CCAA Parties with their restructuring activities as contemplated by this Order.

5. THIS COURT ORDERS that the CCAA Parties shall be entitled to continue to utilize their existing bank accounts and any other bank accounts permitted under the Forbearance Agreement (as defined below) (the “**Bank Accounts**”) and that all banks in which the CCAA Parties maintain any Bank Account are authorized and directed to continue to maintain, service and administer the Bank Accounts in accordance with the documents governing the Bank Accounts.

6. THIS COURT ORDERS that the CCAA Parties are authorized and empowered to continue to manage their cash and cash equivalents and transfer funds among their respective Bank Accounts pursuant to the cash management system currently in place, as described in the Chen Affidavit, or replace it with another substantially similar central cash management system satisfactory to Comerica (the “**Cash Management System**”), and that any present or future bank providing or participating in the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties and Comerica pursuant to the terms of the documentation applicable to the Bank Accounts and the Cash Management System, and shall be, in their capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Bank Accounts and the Cash Management System and that the CCAA Parties may use the funds standing to their credit from time to time in their bank accounts within the Cash Management System.

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

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, contributions to registered retirement pension plans, bonuses, expenses and retention plan payments pursuant to plans and programs currently in place payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with or pursuant to existing compensation policies and arrangements; and
  - (b) the fees and disbursements of any Assistants retained or employed by the CCAA Parties in respect of these proceedings, at their standard rates and charges.
8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the CCAA Parties shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Parties to carry on and preserve the Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of and operation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the CCAA Parties following the date of this Order.
9. THIS COURT ORDERS that the CCAA Parties, as applicable, shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, “Sales Taxes”) required to be remitted by the CCAA Parties in connection with the sale of goods and services by the CCAA Parties; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Parties.

10. THIS COURT ORDERS that the CCAA Parties may pay to SKD Automotive Group, Limited Partnership (“SKD AG”) and to SKD, L.P., the amounts described in the Chen Affidavit in respect of the head office management, accounting, record-keeping, budgeting, financial reporting, cash management, payroll, human resources, information technology, purchasing, sales, engineering, research and development and other administrative functions provided by SKD AG and SKD L.P. to the CCAA Parties, unless objected to by the Monitor.

11. THIS COURT ORDERS that until such time as a CCAA Party repudiates a real property lease in accordance with paragraph 13(c) of this Order, such CCAA Party shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated by such CCAA Party from time to time (“Rent”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, or the next business day thereafter, in advance (but not in arrears).

12. THIS COURT ORDERS that, except as specifically permitted under this Order, the CCAA Parties are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the CCAA Parties to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## RESTRUCTURING

13. THIS COURT ORDERS that the CCAA Parties shall have the right to:
- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and, subject to the prior consent of Comerica, to dispose of redundant or non-material assets, which are currently not used in the production of component parts for any of the Customers: (i) not exceeding \$100,000 in any one transaction; or (ii) with the consent of the Monitor, not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, subject to paragraph 13(c), if applicable; and for further certainty the proceeds of sale of these assets shall remain subject to the terms of any valid and existing liens and security interests affecting the Property and its proceeds;
  - (b) subject to any applicable seniority provisions of any applicable collective bargaining agreement, or as may be agreed between SKD Company and the applicable collective bargaining unit, terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the CCAA Parties and such employee or, failing such agreement, to deal with the consequences thereof in the Plan;
  - (c) in accordance with paragraphs 14 and 15, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord or on such terms as may be agreed upon between an applicable CCAA Party and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;
  - (d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the CCAA Parties deem appropriate on such terms as may be agreed upon between the applicable CCAA Party and such counter-parties, or failing such agreement, to deal with the consequences thereof in the

Plan, and to negotiate any new or replacement arrangements or agreements as the applicable CCAA Party deems appropriate (provided that the Monitor does not object to such new or replacement arrangements or agreements); provided that, notwithstanding this paragraph, SKD Company shall not repudiate any collective bargaining agreement with any Union; and

- (e) pursue avenues of refinancing and restructuring and the sale of material parts of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by paragraph 13(a), above);

all of the foregoing to permit the CCAA Parties to proceed with an orderly restructuring, sale or wind down of the Business (the “**Restructuring**”).

14. THIS COURT ORDERS that the applicable CCAA Party shall provide each of the relevant landlords with notice of their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes a CCAA Party’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable CCAA Party, or by further Order of this Court upon application by the CCAA Parties on at least two (2) days’ notice to such landlord and any such secured creditors. If a CCAA Party repudiates the lease governing such leased premises in accordance with paragraph 13(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the CCAA Party’s claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a lease is repudiated by a CCAA Party in accordance with paragraph 13(c) of this Order, then (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable CCAA Party and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the applicable CCAA Party in respect of such lease or leased premises and such landlord shall be entitled to notify the applicable CCAA Party of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

16. THIS COURT ORDERS that, subject to the other provisions of this Order (including the payment of Rent as herein provided) and any further Order of this Court, the CCAA Parties shall be permitted to dispose of any or all of the Property located (or formerly located) at such leased premises without any interference of any kind from landlords (notwithstanding the terms of any leases) and, for greater certainty, the CCAA Parties shall have the right to realize upon the Property and other assets in such manner and at such locations, including leased premises, as it deems suitable or desirable for the purpose of maximizing the proceeds and recovery therefrom.

#### **NO PROCEEDINGS AGAINST THE CCAA PARTIES OR THE PROPERTY**

17. THIS COURT ORDERS that until and including February 19, 2009 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the CCAA Parties or the Monitor, or affecting any of the Business or the Property, except with the written consent of the CCAA Parties and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, nothing in this Order shall stay the exercise by Comerica of any of its rights or remedies under the Credit Agreement or the Loan Documents (as defined below), provided however that Comerica shall provide notice to the CCAA Parties, the Customers and the Monitor in accordance with paragraph 38(b).

18. THIS COURT ORDERS that no proceeding, enforcement process or any other remedy available to the judgment creditors Roberto Costantino and Tony Wong (the "**Judgment Creditors**") pursuant to the Judgment issued in Action 06 CV 308 185 PD1 commenced at Toronto (the "**Judgment**") shall be commenced or continued as against the CCAA Parties or the

Property, including with respect to any amounts payable to the CCAA Parties by the Customers (as defined below) and GM, including, without limitation, that:

- (a) the effect of any notices of garnishment issued by the Judgment Creditors and served on any Person, including the Customers (as defined below) and GM, under the Judgment (the “**Notices of Garnishment**”) is hereby stayed;
- (b) the expiry of any time periods under the Notices of Garnishment for the filing of garnishees’ statements is hereby stayed and any Persons having been served with the Notices of Garnishment, including the Customers (as defined below) and GM (collectively, the “**Garnishees**”), are hereby relieved of any requirement to file with the Court garnishee’s statements with respect to the Notices of Garnishment;
- (c) five (5) days after this order has been served on the Sheriff for the Regional Municipality of Halton (the “**Sheriff**”) and the Judgment Creditors in accordance with sub-paragraph (d) below, the Garnishees are authorized and empowered to continue to make all payments of any amounts owing to any of the CCAA Parties directly to the CCAA Parties, rather than to the Sheriff, without regard to the Notices of Garnishment, shall incur no liability to the Judgment Creditors by doing so, shall be relieved of any obligations the Garnishees may have had under the Notices of Garnishment, and upon payment of amounts by the Garnishees to the CCAA Parties, the liabilities of the Garnishees to the Judgment Creditors, or to the CCAA Parties in respect of the amounts paid to the CCAA Parties, is extinguished; and
- (d) the CCAA Parties are hereby directed to deliver a copy of this Order to the Sheriff, as well as to counsel for the Judgment Creditors, with a cover letter advising that all proceedings, enforcement processes or any other remedy available in relation to the Judgment, including the enforcement of the Notices of Garnishment against any Person, including the Garnishees, have been stayed pursuant to this Order.



**NO EXERCISE OF RIGHTS OR REMEDIES**

19. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, partnership, governmental body or agency, or any other persons or entities (all of the foregoing, collectively being “Persons” and each being a “Person”) against or in respect of the CCAA Parties or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the CCAA Parties and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Parties to carry on any business which the CCAA Parties are not lawfully entitled to carry on, (ii) exempt the CCAA Parties from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the filing of any grievance pursuant to the *Labour Relations Act, 1995* or any collective agreements, provided that, subject to further order of the Court, no further steps of any kind shall be taken pursuant to or in connection with any such grievance by any party (for greater certainty, neither the CCAA Parties nor any other party shall be obligated to file any form of response or reply to any such grievance, or (v) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH RIGHTS**

20. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the CCAA Parties, except with the written consent of the CCAA Parties and the Monitor, or leave of this Court.

**CONTINUATION OF SERVICES**

21. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the CCAA Parties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all raw materials, metals, components, subcomponents, tools and tooling, dies, tests and assembly fixtures, gauges, jigs, computer software, communication and other data services, centralized and other banking services, payroll services, customs, customs brokerage (or similar) services, insurance, transportation, shipping services, utilities, gas, electricity and other services to the Business, or any of the CCAA Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, utilities, gas and electricity as may be required by any of the CCAA Parties, and that the CCAA Parties shall be entitled to the continued use of their current premises, utilities, telephone numbers, facsimile numbers, internet

addresses and domain names, provided in each case that the normal prices or charges for all such goods, services, utilities, gas and electricity received after the date of this Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier, utility provider or service provider and each of the CCAA Parties and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

22. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of any of the CCAA Parties shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to any CCAA Party. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA, provided however that, except as provided in the Accommodation Agreement, any Person that seeks to advance a claim of, or analogous to set-off or equitable set-off to justify the non-payment of any existing or accruing debt to any of the CCAA Parties shall advise the CCAA Parties and the Monitor in writing prior to so doing so as to enable the CCAA Parties to have the validity of the set-off adjudicated upon by this Honourable Court on an urgent basis if so advised.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the CCAA Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

24. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses (i) relating to the failure of any CCAA Party, after

the date hereof, to make payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants, and (ii) which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants from and after the date of this Order (each, and any of (i) and (ii) , a “**D&O Claim**”), including without limitation, by reason of the Restructuring or in relation to any Plan, except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

25. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property of the Applicants, which charge shall not exceed an aggregate amount of \$3,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 45 and 47 herein. The Applicants’ directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

26. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge.

#### **APPOINTMENT OF MONITOR**

27. THIS COURT ORDERS that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, SKD Company and the Assistants shall advise the Monitor of all material steps taken by the CCAA Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

28. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Restructuring, the Sales Process (as defined below) and such other matters as may be relevant to the proceedings herein;
- (b) monitor and review the CCAA Parties' receipts and disbursements;
- (c) monitor and review any transactions and obligations between the CCAA Parties and any affiliated entities or partnerships;
- (d) assist the CCAA Parties in preparing the cash flow projections, budgets and any other reporting or information they may require in relation to the Business and the Property, and to report to Comerica and the Customers (as defined below) as required in relation to the Forbearance Agreement and the Accommodation Agreement (each as defined below), which information shall be reviewed with the Monitor;
- (e) assist the CCAA Parties in their dissemination to Comerica and its counsel of financial and other information requested by Comerica and as otherwise required by the CCAA Parties, which may be used by the CCAA Parties in these proceedings;
- (f) assist the CCAA Parties, to the extent required by the CCAA Parties, in dealing with their respective creditors, customers, vendors and other interested Persons;
- (g) with the assistance of the CCAA Parties, conduct the Sales Process as provided for in this Order and report to this Court in relation to the status of the Sales Process from time to time as it considers appropriate;
- (h) advise the Applicants in their development of the Plan and any amendments to the Plan and, to the extent required by the CCAA Parties in their negotiations with creditors, customers, vendors and other interested Persons;

- (i) assist the CCAA Parties with their financing and restructuring activities to the extent required by the CCAA Parties;
- (j) carry out the responsibilities of the Monitor under the Accommodation Agreement and, to the extent requested by the CCAA Parties, to otherwise assist the CCAA Parties in the performance of their obligations under the Accommodation Agreement and the Access Agreement (each as defined below and together, the “**Customer Agreements**”);
- (k) give any consent or approval as is contemplated by this Order and any other orders made in this proceeding;
- (l) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors’ or shareholders’ meetings for voting on the Plan;
- (m) have full and complete access to the books, records and management, employees and advisors of the CCAA Parties and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (n) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (o) be at liberty to serve as a “foreign representative” of any of the CCAA Parties in any proceeding outside of Canada, including if deemed advisable by the CCAA Parties and the Monitor, to file Chapter 15 proceedings as a foreign representative of the CCAA Parties;
- (p) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and
- (q) perform such other duties as are required by this Order or by this Court from time to time.

29. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law or guideline respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that the Monitor shall provide any creditor of the CCAA Parties with information provided by the CCAA Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the CCAA Parties may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

#### **PAYMENT OF FEES AND ADMINISTRATION CHARGE**

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the CCAA Parties shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, by the CCAA Parties as part of the costs of these proceedings. The CCAA Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall undertake a final assessment of their accounts, if requested by the Applicants, or as directed by this Court pursuant to a request made by a creditor of the CCAA Parties, and for this purpose such accounts are referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the CCAA Parties and the financial advisor to the CCAA Parties, Conway MacKenzie, Inc. (collectively, the "Professionals") shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their unpaid professional fees and disbursements incurred at the standard rates and charges of such Professionals, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

#### **COMERICA FACILITY**

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) SKD Company is authorized and empowered to continue to borrow under the revolving credit agreement among Comerica and SKD Company (as Canadian

borrower), SKD AG (as US Borrower) and SKD, L.P., EASSA Mexico, S de R.I. de C.V., SKD de Mexico, S de R.I. de C.V. and the Applicants (as additional loan parties) made December 14, 2004, as subsequently amended, modified and supplemented, most recently pursuant to the Forbearance Agreement (defined below), including, without limitation, in relation to the subordinated participations in the Comerica loan facility purchased or to be purchased by the Customers in relation to the Customer Operations Funding (as described in the Chen Affidavit) in accordance with the Amended and Restated Subordinated Participation Agreement (as described in the Chen Affidavit) (the "**Credit Agreement**");

- (b) the CCAA Parties are authorized and directed to perform all obligations to Comerica under the Credit Agreement and any security or other documents contemplated thereby, including those relating to the Customer Operations Funding (as defined below), whether arising before or after the making of this Order as and when the same become due and are to be performed, but subject to the priority set out in paragraph 45 hereof (the "**Loan Documents**"); and
- (c) the CCAA Parties are authorized, empowered and directed to enter into and perform their obligations under a certain forbearance agreement, substantially in the form of the agreement attached as Exhibit "H" to the Chen Affidavit (the "**Forbearance Agreement**") to which the CCAA Parties are party, and are directed and shall comply with the Loan Documents and the Forbearance Agreement and shall make all payments to Comerica provided for under the Forbearance Agreement and Loan Documents, including without limitation, in relation to the Customer Operations Funding (as defined below).

37. THIS COURT ORDERS that Comerica shall be entitled to the benefits of and is hereby granted a charge (the "**Comerica Charge**") as security for the existing and future obligations of the CCAA Parties to Comerica under the Credit Agreement and Loan Documents, which charge shall not exceed the aggregate amount owed to Comerica under the Credit Agreement and Loan Documents. The Comerica Charge shall have the priority set out in paragraphs 45 and 47 hereof.

38. THIS COURT ORDERS that, notwithstanding any other provision of this Order:



- (a) Comerica may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Comerica Charge;
- (b) subject to the terms of the Customer Agreements, the Forbearance Agreement and the Credit Agreement, Comerica may (i) without notice to the CCAA Parties or any other Person cease making advances to SKD Company and set off and/or consolidate any amounts owing by Comerica to the CCAA Parties, other than in relation to amounts deposited to the Trust Accounts (as defined in the Forbearance Agreement) in accordance with the Forbearance Agreement, against the obligations of the CCAA Parties to Comerica under the Credit Agreement, the Loan Documents or the Comerica Charge, and (ii) upon the occurrence of a default (other than an Existing Default as defined in the Forbearance Agreement) under the Credit Agreement and the Loan Documents, and upon two (2) business days notice to the CCAA Parties, the Customers and the Monitor, exercise any and all of its rights and remedies against the CCAA Parties or the Property under or pursuant to the Forbearance Agreement, the Credit Agreement, the Loan Documents and the Comerica Charge, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Parties or for the appointment of a trustee in bankruptcy of the CCAA Parties, but subject to the priorities as set out in paragraphs 45 and 47 of this Order; and
- (c) the foregoing rights and remedies of Comerica shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Parties or the Property.

39. THIS COURT ORDERS AND DECLARES that Comerica shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by any of the CCAA Parties under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Credit Agreement or the Loan Documents.

## CUSTOMER ACCOMMODATION AND ACCESS AGREEMENTS

40. THIS COURT ORDERS that notwithstanding any other provision of this Order, the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under a certain accommodation agreement, substantially in the form of the agreement attached as Exhibit "J" to the Chen Affidavit (the "**Accommodation Agreement**") among SKD Company, Ford Motor Company, Chrysler Canada Inc., Chrysler LLC, on behalf of itself and Chrysler Motors LLC, 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, the "**Customers**") and Comerica.

41. THIS COURT ORDERS that the Accommodation Agreement and the exhibits thereto, including, without limitation (i) an access agreement, substantially in the form of the agreement among SKD Company and the Customers attached as Exhibit B to the Accommodation Agreement (the "**Access Agreement**"), (ii) the Customer Operations Funding (as defined in and to be provided under the Accommodation Agreement), and (iii) the transactions contemplated by the Accommodation Agreement (the "**Accommodation Agreement Transactions**"), be and they are hereby approved.

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

43. THIS COURT ORDERS that the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under the Access Agreement and enter into and complete the transactions contemplated by the Access Agreement (the "**Access Agreement Transactions**") and to grant the security interests provided for under the Access Agreement (the "**Customers' Security**") in accordance with the Access Agreement and

with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Access Agreement.

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

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

45. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge, and the Comerica Charge shall be as follows:

- (i) First – the Administration Charge;
- (ii) Second – the Directors' Charge to the maximum amount of \$700,000 in relation to any vacation pay obligations;
- (iii) Third – the Comerica Charge, but excluding that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);
- (iv) Fourth - the Directors' Charge for any amount greater than \$700,000 up to the maximum amount of \$2,300,000; and
- (v) Fifth - the Comerica Charge in relation to that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);

46. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, Directors' Charge and Comerica Charge (collectively, the "**Charges**"), as well as the Customers' Security, shall not be required, and that the Charges and the Customers' Security shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges and the Customers' Security coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

48. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, or which impair a Customer's "Right of Access" under the Access Agreement, unless the CCAA Parties also obtain the prior written consent of the Monitor, the beneficiaries of the Charges, and the Customers, or a further Order of this Court made on notice to the beneficiaries of the Charges and the Customers.

49. THIS COURT ORDERS that the exercise of the rights and remedies of the beneficiaries of the Charges shall be subject to the applicable terms of the Access Agreement, including a Customer's Right of Access if exercised in accordance with the Access Agreement; provided however that the Customers' Security shall be fully released and discharged and be of no further force and effect upon the later of (i) the expiration of the Term of the Access Agreement, and (ii) in relation to any Operating Assets and Real Estate in respect of which a Right of Access has been exercised by a Customer in accordance with the Access Agreement prior to expiration of the Term of the Access Agreement, at the end of the Occupancy Period arising from the exercise of such Right of Access (with capitalized terms in this paragraph being as defined under the Access Agreement).

50. THIS COURT ORDERS that the Charges, the Forbearance Agreement, the Customer Agreements and the Customers' Security, and any payments made by the CCAA Parties pursuant

to the Charges or the Credit Agreement or pursuant to paragraph 25 of this Order (collectively, the "Payments"), shall not be rendered invalid or unenforceable, and the rights and remedies of any Persons receiving the Payments and the chargees entitled to the benefit of the Charges (the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the CCAA Parties, and notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges, nor the execution, delivery, perfection registration or performance of the Forbearance Agreement, the Customer Agreements or the Customers' Security, shall create or be deemed to constitute a breach by an applicable CCAA Party of any Agreement to which it is a party;
- (b) none of the Chargees, or the holders of the Customers' Security shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution, delivery or performance by the CCAA Parties of the Forbearance Agreement, the Customer Agreements or the Customers' Security; and
- (c) any payments made by any of the CCAA Parties pursuant to this Order or the Forbearance Agreement and the granting the Charges, the Forbearance Agreement, the Customer Agreements and the Customers' Security do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

## MARKETING AND SALES PROCESS

51. THIS COURT ORDERS that the Monitor, with the assistance of CCAA Parties, will forthwith conduct a marketing and sales process (the “**Sales Process**”) with the assistance of such other professionals as it considers desirable to assist it in undertaking the Sales Process, to explore a sale of the business of SKD Company and/or the Property, as follows:

- (a) immediately following the date of this Order, the Monitor, with the assistance of the CCAA Parties, will canvass the market for interested parties and send to potentially interested parties a letter detailing this acquisition opportunity;
- (b) if considered desirable, will arrange for the placement of an advertisement in one or more newspapers providing notice of this acquisition opportunity as soon as reasonably practicable;
- (c) on or before January 22, 2009, will prepare a summarized confidential information memorandum (“**CIM**”) to be provided to interested purchasers who execute a confidentiality agreement in a form acceptable to the CCAA Parties and the Monitor (the “**Prospective Purchasers**”);
- (d) on or before January 22, 2009, will arrange for a data room, either electronic, physical or both (the “**Data Room**”);
- (e) on or before January 30, 2009, the CCAA Parties and the Monitor will prepare and make available to Prospective Purchasers, and in the electronic Data Room, a standardized form of asset purchase agreement that the Monitor will request all Prospective Purchasers to use to structure and submit their offers;
- (f) Prospective Purchasers will be required to conduct due diligence and to submit a purchase agreement to the Monitor by 4:00 p.m. (eastern time) on February 18, 2009;
- (g) the CCAA Parties, with the assistance of the Monitor, may thereafter select and settle a form of purchase agreement with one or more Prospective Purchasers;

- (h) on or about February 25, 2009, the Applicants will move to this Court for approval of any sales transaction that they wish to complete (each, a “**Transaction**”) and for any related relief, including an order vesting title (“the **Sales Approval Order**”); and
- (i) the closing of any Transaction in respect of which a Sales Approval Order is made shall be completed within two (2) business days following the making of such Order.

The Monitor shall have the ability, with the approval of the CCAA Parties, Comerica and the Customers, to modify the Sales Process, including the foregoing timetable, and to apply to this Court for any advice and directions that it may require in relation to the Sales Process.

#### **SERVICE AND NOTICE**

52. THIS COURT ORDERS that the Monitor on behalf of the Applicants shall, within ten (10) business days of the date of entry of this Order, send a letter to the known creditors of the CCAA Parties, other than employees and creditors to which the CCAA Parties owe less than \$1,000, at their addresses as they appear on the CCAA Parties’ records, advising of this Order, specifying that a copy of the Order and other materials are available on the Monitor’s website and disclosing such website, and that the Monitor, on behalf of the Applicants, shall promptly send a copy of this Order (a) to all parties filing a Notice of Appearance in respect of this Application, and (b) to any other interested Person requesting a copy of this Order; and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

53. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials, motions and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the CCAA Parties’ creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Parties, as applicable, and that (i) any such service by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received (i) if delivered by or forwarded by facsimile or

electronic submission before 4 p.m. on a business day (being a day that the principal Canadian banks are open for business in Toronto), on that same day, (ii) if delivered or forwarded by facsimile or electronic submission following 4 p.m. on any day, on the next business day following the date of delivery or forwarding thereof, or (iii) if sent by ordinary mail, on the third business day after mailing, and (ii) any such service shall be deemed to be good and sufficient service.

54. THIS COURT ORDERS that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials upon counsel and any other Persons appearing on the Service List to the email addresses of counsel and such Persons as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Monitor's website.

#### **GENERAL**

55. DECLARES that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, any of the CCAA Parties are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "Third Party"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with a CCAA Party binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the applicable CCAA Party, or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring, or the preparation and implementation of the Plan or a transaction in furtherance



thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the applicable CCAA Party.

56. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

57. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, SKD Company, the Business or the Property.

58. 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, to give effect to this Order and to assist the CCAA Parties, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor as a representative of the CCAA Parties in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

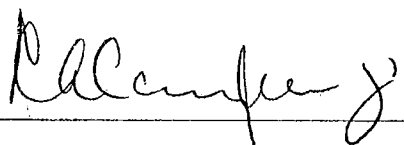
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

60. THIS COURT ORDERS that any interested party (including the CCAA Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

61. THIS COURT ORDERS that notwithstanding paragraph 60, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Charges unless notice of a motion for such order is served on the Applicants, the Monitor,

Comerica, the Chargees and the Customers, returnable no later than 7 days following the making of this Order.

62. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

  
\_\_\_\_\_

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

JAN 21 2009

PER / PAR: TV

**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

**INITIAL 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 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

**C**



AGREEMENT OF PURCHASE AND SALE  
(FOR USE IN THE PROVINCE OF ONTARIO)



BUYER, Boutin Holdings Limited agrees to purchase from  
(Full legal names of all Buyers)  
SELLER, RSM Richier Inc. solely in its capacity as Court appointed receiver of SKD Company, including each of its general partners, NMC Canada Inc. and 2515080 Nova Scotia Company and not in its personal capacity the following  
(Full legal names of all Sellers)

REAL PROPERTY:  
Address 40 Holby Avenue fronting on the \_\_\_\_\_ side of \_\_\_\_\_ being  
in the City of Brampton \_\_\_\_\_ being  
having a frontage of \_\_\_\_\_ more or less by a depth of \_\_\_\_\_ more or less and legally described as  
all of PINs 14096-0275(LT) and 14096-0276(LT) (the "property")  
(Legal description of land including assessments not described elsewhere)

PURCHASE PRICE: TWO MILLION FIVE HUNDRED AND FORTY THOUSAND Dollars (CDN\$ 2,540,000.00)

DEPOSIT:  
Buyer submits (Upon Acceptance) FOUR HUNDRED THOUSAND Dollars (CDN\$ 400,000.00 ("Deposit"))  
(Herein/Upon acceptance)

cash or negotiable certified cheque payable to CB Richard Ellis Limited ("Listing Broker") in trust to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. Buyer agrees to pay the balance as follows: set out in Schedule "A" hereto.

SCHEDULE(S) A attached hereto form(s) part of this agreement.

1. CHATELS INCLUDED: None
2. FIXTURES EXCLUDED: \_\_\_\_\_
3. RENTAL ITEMS: The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:  
N/A
4. IRREVOCABILITY: This Offer shall be irrevocable by Buyer until 10:00 a.m. on the 6<sup>th</sup> day of April, 2010  
(Seller/Buyer)  
after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.
5. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 30<sup>th</sup> day of April, 2010.  
Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.
6. NOTICES: Seller hereby appoints the Listing Broker as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Only if the Co-operating Broker represents the interests of the Buyer in this transaction, the Buyer hereby appoints the Co-operating Broker as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Any notice relating hereto or provided for herein shall be in writing. This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand-delivered to the address for service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.  
FAX No. \_\_\_\_\_ (for delivery of notices to Seller) FAX No. \_\_\_\_\_ (for delivery of notices to Buyer)
7. GST: If this transaction is subject to Goods and Services Tax and/or Harmonized Sales Tax (collectively, "G.S.T."), then such tax shall be in addition to the Purchase Price. The Seller will not collect G.S.T. if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the G.S.T. payable and file the prescribed form and shall indemnify the Seller in respect of any G.S.T. payable. The foregoing warranties and indemnity shall not merge but shall survive the completion of the transaction.  
If this transaction is not subject to G.S.T., Seller agrees to certify on or before closing that the transaction is not subject to G.S.T.
8. TITLE SEARCH: Buyer shall be allowed until 5:00 p.m. on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (Requisition Date) to examine the title to the property at his own expense and until the earlier of (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property that its present use \_\_\_\_\_ may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.
9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate act or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Broker and Co-operating Broker shall not be liable for any costs or damages. Save as to any valid objection to title or to any outstanding work order or deficiency notice, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, chapter L4, and any amendments thereto, the Seller and Buyer acknowledge and agree that the delivery of documents and the release thereof to the Seller and Buyer may, at the lawyers' discretion; (a) not occur contemporaneously with the registration of the transfer/deed (and other registrable documentation), and (b) be subject to conditions whereby the lawyer receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the lawyers.
12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except as set out in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller it complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
16. DOCUMENT PREPARATION: The Transfer/Deed (if required) shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants confirms that the Transfer/Deed to be delivered on completion shall NOT contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.

17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
21. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
22. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
23. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, tax or environmental advice, and it has been recommended that the parties obtain independent professional advice prior to signing this document.
24. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
25. **AGENCY:** It is understood that the brokers involved in the transaction represent the parties as set out in the Confirmation of Representation below.
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

DATED at BRAMPTON this 3rd day of February 2010  
 SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:  
 BOUTIN HOLDINGS LIMITED  
 (Witness) (Buyer) (Seal) DATE APRIL 20 / 2010  
 (Witness) (Buyer) (Seal) DATE February 3, 2010

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the Listing Broker the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Broker to my lawyer.

DATED at TORONTO this 16th day of February 2010  
 SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:  
 RSM Richter Inc. solely in its capacity as Court appointed receiver of SKID Company, including each of its general partners, NMG Canada Inc. and 2545080 Nova Scotia Company and not in its personal capacity  
 (Witness) (Seller) (Seal) DATE February 16, 2010  
 (Witness) (Seller) (Seal)

**SPOUSAL CONSENT:** The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary legal documents to give full force and effect to the sale evidenced herein.  
 (Witness) (Spouse) (Seal) DATE

**CONFIRMATION OF EXECUTION:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally executed by all parties at 9 a.m. this 6th day of April, 2010.  
 (Signature of Seller)

**CONFIRMATION OF REPRESENTATION**

<p>I hereby acknowledge and confirm the Listing Broker represents the interests of the Seller in this transaction.          (Seller/Seller and the Buyer)          Signature of Listing Broker or authorized representative: CB Richard Ellis Limited          Name of Listing Broker: CB Richard Ellis Limited          Tel No. FAX No.</p>	<p>I hereby acknowledge and confirm the Co-operating Broker represents the interests of the Buyer in this transaction.          (Seller/Buyer)          Signature of Co-operating Broker or authorized representative: Colliers Macaulay Nicolls (Ontario) Inc.          Name of Co-operating Broker: Colliers Macaulay Nicolls (Ontario) Inc.          Tel No. FAX No.</p>
--	---

**ACKNOWLEDGEMENT**

<p>I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.          DATE April 2010          (Seller)          Address for Service:          Seller's Lawyer: Gowdrons LLP, Attn: Joseph Lukam          Address: 2400-250 Yonge Street, Toronto, Ontario M5B 2M6          (416) 597-4211 (416) 979-1234          Tel No. FAX No.</p>	<p>I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.          DATE April 2010          (Buyer)          Address for Service:          Buyer's Lawyer: Bloom Lamy Professional Corporation Attn: Barbara Lamy          Address: 2171 Avenue Road, Suite 200, Toronto, Ontario M5M 4B4          (416) 486-9913 (416) 485-6954          Tel No. FAX No.</p>
--	--

<p><b>FOR OFFICE USE ONLY</b></p> <p>To: Co-operating Broker shows on the foregoing Agreement of Purchase and Sale:          In consideration for the Co-operating Broker procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.</p> <p>DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.</p> <p>CB Richard Ellis Limited          Signature of Listing Broker or authorized representative</p> <p>U832445.2</p>	<p><b>COMMISSION TRUST AGREEMENT</b></p> <p>Acknowledged by:          Colliers Macaulay Nicolls (Ontario) Inc.          Signature of Co-operating Broker or authorized representative</p>
--	---



## SCHEDULE "A"

Attached hereto and forming part of this Agreement of Purchase and Sale of 40 Holtby Avenue, in the City of Brampton between Boutin Holdings Limited ("Buyer") and RSM Richter Inc. solely in its capacity as Court appointed receiver of SKD Company, including each of its general partners, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, "Debtor") and not in its personal capacity ("Seller").

---

### 1. DEFINITIONS

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Section 18 of the OREA Form;

"Approval and Vesting Order" means an approval and vesting order of the Court (or separate orders of the Court), in form and substance required by the Seller and to which the Buyer has no reasonable objection, pursuant to which the transaction contemplated by this Agreement is approved by the Court and pursuant to which all right, title and interest in the Purchased Assets shall be vested in and to the Buyer on the Completion Date subject to the Encumbrances (save and except for the CB Bank Mortgage);

"Business Day" means any day, other than a Saturday, Sunday or legal holiday in Toronto, Ontario;

"Buyer's Solicitors" means Barbara Lanys or such other firm or firms of solicitors or agents as are retained by the Buyer from time to time and notice of which is provided to the Seller;

"CB Bank Mortgage" means the charge/mortgage of land secured against the Lands by Instrument no. PR774234;

"Chattels" none;

"Closing" means the closing and consummation of the agreement of purchase and sale for the Purchased Assets, including without limitation the payment of the Purchase Price and the delivery of the Closing Documents, on the Completion Date at the offices of the Seller's Solicitors;

"Completion Date" means the date referred to in Section 5 of the OREA Form;

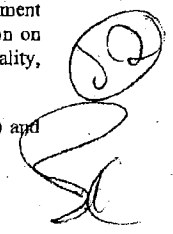
"Court" means the Ontario Superior Court of Justice (Commercial List);

"Encumbrances" means, in the case of any given Purchased Assets, all mortgages, claims, pledges, charges, liens, prior liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, servitudes, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) against title to the Purchased Assets or any part thereof or interest therein;

"Execution Date" means the date upon which this Agreement is executed and delivered by the Seller;

"Governmental Authority" means any government, regulatory authority, government department, agency, utility, commission, board, tribunal or court having jurisdiction on behalf of any nation, province or state or other subdivision thereof or any municipality, district or other subdivision thereof;

"Lands" means the lands and premises legally described as PINs 14096-0275(LT) and 14096-0276(LT);



"Off-Title Compliance Matters" means work orders, notices of violation and other matters of non-compliance with the zoning and other requirements of Governmental Authorities;

"OREA Form" means the Ontario Real Estate Association Form as amended, which the Buyer and the Seller have executed and to which this Schedule "A" is attached;

"Property" means the Lands and all existing buildings on the Lands;

"Purchased Assets" means all of the Seller's right, title and interest, if any, in and to: (a) the Property; and (b) the Chattels; and

"Seller's Solicitors" means Goodmans LLP (Attention: Joseph Latham) or such other firm or firms of solicitors or agents as are retained by the Seller from time to time and notice of which is provided to the Buyer.

2. AGREEMENT OF PURCHASE AND SALE

(a) **Purchase and Sale of Purchased Assets**

Upon and subject to the terms and conditions of this Agreement, the Seller will sell, and the Buyer will purchase, the Purchased Assets in consideration of the payment of the Purchase Price. This Agreement shall be completed on the Completion Date at the offices of the Seller's Solicitors in Toronto, subject to real property registrations being electronically effected in the appropriate land registry office.

(b) **Seller Deliveries**

Subject always to Subsection 2(c) below, the Seller agrees to provide to the Buyer upon request photocopies of such of the following but only to the extent in its possession and control: existing plans and specifications of the building forming part of the Property; survey; soil tests; engineering and building reports; and all other planning and engineering material. The Seller makes no and has made no representations or warranties as to the accuracy or inaccuracy and/or the incompleteness of said deliveries as the Buyer is relying solely upon its own due diligence.

(c) **Acknowledgement of Buyer as to Condition of Purchased Assets**

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Buyer acknowledges and agrees that:

- (i) on the Completion Date, title to the Purchased Assets shall be subject to each of the Encumbrances in effect as of Execution Date save and except for the CB Bank Mortgage. In that regard, the Buyer confirms that it has satisfied itself as to title to the Property, the Encumbrances and as to Off Title Compliance matters. Without limiting the foregoing, the Buyer shall execute and deliver: (A) such documentation and assurances required in connection with any of the Encumbrances including, without limitation, the assumption agreements and the like contemplated in the municipal and/or regional agreements registered against title to the Lands; and (B) an assumption agreement with respect to the agreements with the Corporation of the City of Brampton registered as Instrument No's. RO1115425 and PR338165 in the form required by the Corporation of the City of Brampton (collectively, "Brampton Agreements");
- (ii) in entering into this Agreement, the Buyer has relied and will continue to rely entirely and solely upon its own inspections and investigations with respect to the Purchased Assets, including without limitation, the physical and environmental condition of the Purchased Assets and the review of the documentation made available to the Buyer prior to or pursuant to this Agreement, and the Buyer acknowledges it is not relying on any information furnished by the Seller or any other person or entities on behalf of or at the direction of the Seller in connection therewith;





- (iii) the Purchased Assets are being purchased and assumed by the Buyer on an "as is, where is" basis as of the Completion Date with no representations or warranties (expressed or implied), including no representations or warranties with respect to completeness, quality, quantity, description, fitness for purpose, merchantability, compliance with the requirements of Governmental Authorities, the Encumbrances, as to Off-Title Compliance Matters and as to development fees, imposts, lot levies, sewer charges and the like, and without any express or implied agreement, representation or warranty of any kind whatsoever as to the title, condition, area, suitability for development, physical characteristics, profitability, use or zoning, the existence of latent defects, any environmental matter or as to the accuracy, currency and/or completeness of any information or documentation supplied or to be supplied in connection with the Purchased Assets and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act* (Ontario) will not apply and are hereby waived by the Buyer;
- (iv) the term "Seller" as used herein shall have no inference or reference to the present registered owner of the Purchased Assets. Without limiting the foregoing, the Buyer may not call for the production of any title documents or abstracts of title by the Seller other than the Approval and Vesting Order and, only if required to register, a transfer/deed of land for the Property (other than the Land Transfer Tax affidavit);
- (v) all Purchased Assets are on an "as is, where is" basis with no representation as to title, quality or quantity. The Seller will deliver possession of the improvements, fixtures, equipment and Chattels as same may be found on the Property on Closing without a bill of sale, representation, warranty or other title documentation and shall make no adjustment in the Purchase Price with respect thereto; and
- (vi) if any statement, error or omission shall be found in the particulars of the legal and/or Purchased Assets' description, the same shall not annul the sale or entitle the Buyer to be relieved of any obligation hereunder, nor shall any compensation be allowed to the Buyer in respect thereof.


The Seller shall have no obligations or responsibility to the Buyer after Closing with respect to any matter relating to the Purchased Assets or the condition thereof. This Section 2(c) shall survive and not merge on Closing.

3. PURCHASE PRICE AND PAYMENT

The Purchase Price shall be paid and satisfied by the Buyer as follows:

- (a) the Buyer shall pay to the Listing Broker, in trust, a deposit of \$400,000.00 (the "Deposit") by certified cheque upon execution of this Agreement to be held by the Listing Broker in trust in a separate interest bearing trust account of a Schedule 1 Canadian bank and to be applied against the Purchase Price on closing or otherwise applied in the manner contemplated herein; and
- (b) the Buyer shall pay the balance of the Purchase Price to the Seller, by certified cheque, negotiable bank draft or wire transfer, on closing subject to Adjustments.

If any portion of the Purchase Price is paid to the Seller's Solicitors, said payment must only be made to the Seller's Solicitors by way of wire transfer. If the transaction contemplated hereby is not completed for any reason except for the default of the Buyer, the Deposit, to the extent paid to the Listing Broker (together with all interest thereon), shall be thereupon returned to the Buyer. If the transaction is not completed as a result of the default of the Buyer, the Seller shall be entitled to retain the Deposit together with interest thereon in addition to any other rights or remedies it may have pursuant to this Agreement or at law. In such an event, the Buyer irrevocably and unconditionally directs the Listing Broker to immediately release the entire Deposit and all interest thereon from trust to the Seller. If the transaction contemplated herein is completed in a timely



manner, interest on the Deposit shall be paid by the Listing Broker to the Buyer within a reasonable time following Closing.

4. **CLOSING CONDITIONS**

(a) **Conditions in favour of Seller**

The obligation of the Seller to complete this Agreement shall be subject to the following conditions:

- (i) by the Completion Date, the Purchase Price is paid to the Seller in its entirety and all of the other terms, covenants and conditions of this Agreement to be complied with or performed by the Buyer shall have been complied with or performed in all material respects;
- (ii) on the Completion Date, the representations and warranties of the Buyer set out in Section 9(b) shall be true and accurate in all material respects; and
- (iii) by Closing the Court has issued the Approval and Vesting Order.

The conditions set forth in this Section 4(a) are for the sole benefit of the Seller and may be waived in whole or in part by the Seller by Notice to the Buyer prior to the Completion Date.

(b) **Conditions in favour of Buyer**

The obligation of the Buyer to complete this Agreement shall be subject to the following conditions precedent:

- (i) by the Completion Date, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller shall have been complied with or performed in all material respects;
- (ii) on Closing, the representations and warranties of the Seller set out in Section 9(a) shall be true and accurate in all material respects; and
- (iii) by Closing, the Court has issued the Approval and Vesting Order.

The conditions set forth in this Section 4(b) are for the sole benefit of the Buyer, and may be waived in whole or in part by the Buyer by Notice to the Seller prior to the Completion Date.

(c) **Non-Satisfaction of Conditions**

If each of the conditions in Subparagraphs 4(a)(i) and 4(a)(ii) is not satisfied or waived by the Seller (in the Seller's sole and absolute discretion) on or before the Completion Date, then in addition to each of the Seller's other rights and remedies contained herein or otherwise at law, the Deposit and all interest thereon shall forthwith be automatically released to the Seller in its entirety (and the Listing Broker is hereby irrevocably and unconditionally directed to do so) and the Seller shall be released from each of its covenants and obligations under this Agreement. If each of the conditions in Subparagraphs 4(b)(i) and 4(b)(ii) is not satisfied or waived by the Buyer (in the Buyer's sole and absolute discretion) on or before the Completion Date, this Agreement shall (subject to the balance of this Subsection 4(c)) be null and void and of no further force or effect and the Deposit and all interest thereon shall be returned to the Buyer and each of the Seller and the Buyer shall be automatically released from each of its covenants and obligations under this Agreement. If each of the conditions in Subparagraphs 4(a)(iii) and 4(b)(iii) is not satisfied or waived by each of the Buyer and the Seller (in each party's sole and absolute discretion) on or before the Completion Date, this Agreement shall (subject to the balance of this Subsection 4(c)) be null and void and of no further force or effect and (subject to the balance of this Subsection 4(c)), the Deposit and all interest thereon shall be returned to the Buyer and each of the Seller and the Buyer shall otherwise be released from each of its covenants

and obligations hereunder. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Buyer acknowledges and agrees in favour of the Seller that each of the Buyer's covenants, obligations and indemnities pursuant to Sections 2(c), 4, 7, 8 and 12 hereof, as well as each of the Seller's rights to deduct from the Deposit contemplated in Section 7 hereof, shall not merge or terminate but shall remain in full force and effect. The conditions set out in Subsections 4(a) and 4(b) above are not conditions precedent to the existence or the enforceability of this Agreement.

**(d) Efforts to Satisfy Conditions**

Without derogating from any party's other obligations under this Agreement (including, in the case of the Buyer, the obligation to pay the Purchase Price as provided for in this Agreement) it is agreed that each of the Seller and the Buyer shall act in good faith and use reasonable commercial efforts to satisfy, or cause to be satisfied, the conditions set forth in Section 4 hereof.

**5. CLOSING DOCUMENTS**

**(a) Seller's Closing Documents**

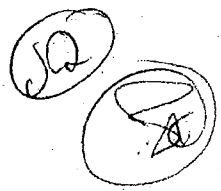
On or before Closing, subject to the provisions of this Agreement, the Seller shall deliver or cause to be delivered to the Buyer the following:

- (i) conveyance of the Purchased Assets pursuant to the Approval and Vesting Order together with the Receiver's Certificate to the extent contemplated by the Approval and Vesting Order;
- (ii) a direction as to the payee or payees of the Purchase Price;
- (iii) a statement of adjustments to be delivered at least two (2) Business Days before Closing;
- (iv) a certificate of RSM Richter Inc. as to its residency pursuant to Section 116 of the *Income Tax Act* of Canada; and
- (v) a certificate of the Seller confirming that, as of the Completion Date, the representations and warranties of the Seller set out in Section 9(a) are true and accurate in all material respects, save and except with respect to any matters which have occurred following the Execution Date and which are listed in such certificate.

**(b) Buyer's Closing Documents**

On Closing, subject to the provisions of this Agreement, the Buyer shall deliver or cause to be delivered to the Seller's Solicitors the following:

- (i) the balance of the Purchase Price;
- (ii) a general assumption agreement and where required specific assumptions of Encumbrances in connection with the transfer of any of the Purchased Assets, including, without limitation, the Buyer's assumption of the Brampton Agreements;
- (iii) the GST and HST undertaking and indemnity referred to in Section 7 of the OREA Form;
- (iv) an acknowledgement confirming the provisions of Sections 2(c) and 12 hereof;
- (v) a certificate of the Buyer confirming that, as of the Completion Date, the representations and warranties of the Buyer set out in Section 9(b) are true and accurate in all material respects, save and except with respect to any matters which have occurred following the Execution Date and which are listed in such certificate; and



(vi) the Realty Tax Agreement and Direction.

(c) **Form of Documents**

All documentation referred to in Sections 5(a) and 5(b)(b) shall be in form and substance acceptable to the Buyer and the Seller each acting reasonably and in good faith, provided that none of such documents shall contain covenants, representations or warranties which are in addition to or more onerous upon either the Seller or the Buyer than those expressly set forth in this Agreement.

(d) **Registration and Other Costs**

The Buyer shall be solely responsible for and pay any land transfer taxes payable on the transfer of the Purchased Assets, all registration fees payable in respect of registration by it of any documents on Closing (other than the discharge of the CB Bank Mortgage, which shall be the responsibility of the Seller) and all federal and provincial sales and other taxes payable by a purchaser upon or in connection with the conveyance or transfer of the Purchased Assets, including provincial retail sales tax and goods and services tax.

(e) **Escrow Closing and Registration**

It is a condition of Closing that all matters of payment and the execution and delivery of Closing Documents by each party to the other shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required at the Closing has been paid, executed and delivered.

All Closing Documents and monies shall be delivered in escrow on the Completion Date as reasonably required by the solicitors for the parties together with receipt of such evidence as they shall reasonably request that all conditions of this Agreement have been satisfied.

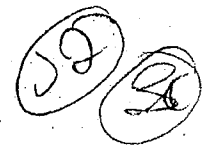
The Seller and Buyer covenant and agree to cause their respective solicitors to enter into a document registration agreement (the "DRA") in the form recommended by the Law Society of Upper Canada to govern the electronic submission of the conveyance of the Lands pursuant to the Approval and Vesting Order in the applicable Land Registry Office.

6. **SELLER'S AUTHORIZATION**

The Seller shall deliver to the Buyer, within two (2) Business Days after receipt thereof from the Buyer's Solicitors, authorizations, in writing, to the City of Brampton and any other Governmental Authority to release from its files to the Buyer relevant information of all outstanding work orders or deficiency notices, if any, affecting the Purchased Assets, such searches being restricted to release of existing information only and shall specifically prohibit inspections.

7. **LIMITED ACCESS**

From and after the payment of the Deposit, but subject to each of the terms and conditions contained herein, the Seller will on no more than five (5) separate occasions (each occasion not to exceed 4 hours) allow the Buyer access to the Property at the Buyer's sole risk and expense prior to the Completion Date upon reasonable prior written notice to the Seller solely for the purpose of the Buyer planning and organizing future improvements in a non-intrusive manner but in no event will the Buyer be permitted to carry out any work and/or Inspections of any kind. Said access shall always be subject to the Buyer satisfying each of the following conditions: (i) said access may only occur during the Seller's normal business hours, subject to reasonable prior written notice to the Seller and provided such access does not interfere with or disturb the sale or removal therefrom of any other assets of the Debtor; (ii) while no Inspections are allowed, the Buyer shall promptly repair any resulting Property damage and shall restore the Property to its original condition, failing which the Seller may use Deposit monies to effect all such repairs and replacements; (iii) the Buyer may not do anything on the Property to



which the Seller has any objection; (iv) the Buyer must be in the presence of a representative of the Seller at all times unless the Seller elects in its sole and absolute discretion not to attend; (vi) no Governmental Authority or quasi-governmental officials are allowed on the Property; and (vii) the Buyer may not interfere with or disrupt the Seller's and/or the auctioneer's respective businesses or operations on the Property or cause any damage thereto. The Buyer hereby indemnifies the Seller and those for whom the Seller is at law responsible against any and all claims, liability, costs, expenses or damages arising out of access by the Buyer or the Buyer's Agents to the Property (failing which, the Seller, may in addition to its other rights and remedies hereunder and/or at law deduct the costs thereof from the Deposit monies). The Buyer's obligations and indemnities herein shall survive the completion of said access; the termination or expiration of this Agreement for any reason, the completion of the transaction contemplated herein or if the transaction is not successfully completed for any reason.

8. CONFIDENTIALITY

- (a) The Buyer covenants and agrees in favour of the Seller that the Buyer and each of its agents, solicitors, lenders, employees, advisors and those for whom it is at law responsible from time to time (collectively the "Buyer's Agents") shall keep this Agreement, all deliveries by or on behalf of the Seller from time to time, the results of all Inspections and, in each case, the results and contents thereof in strict confidence provided the Buyer may disclose this Agreement to its solicitors, employees, directors and *bona fide* lenders and advisors on a confidential basis. Furthermore, the Buyer may not issue any press release or other public announcement or release information with respect to this Agreement to the public unless the same has been pre-approved in writing by the Seller.
- (b) In the event that the transaction contemplated herein is terminated or is not successfully completed for any reason whatsoever, the Buyer shall, within 48 hours of termination or non-completion, turn over to the Seller all original copies of the Information and all reproductions thereof and the Buyer and the Buyer's Agents shall also continue to retain in strict confidence the Information and the contents thereof.
- (c) The Buyer's covenants and obligations pursuant to this Section 8 shall survive the expiration or termination of this Agreement for any reason or if this transaction contemplated herein is terminated or is not successfully completed in a timely manner for any reason whatsoever.

9. REPRESENTATIONS, WARRANTIES

(a) Representations and Warranties of the Seller

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying on such representations and warranties in entering into this Agreement and in purchasing the Purchased Assets that the Seller is the court-appointed receiver of the Debtor and, subject to the approval of the Court, has the power, authority and capacity to enter into this Agreement and all other agreements, documents and certificates contemplated hereby to be executed by Seller and to carry out the transaction contemplated hereby and thereby.

(b) Buyer's Representations

The Buyer hereby represents and warrants to and in favour of the Seller that, as of the date of this Agreement and as of the Completion Date:

- (i) the Buyer is a corporation existing under the laws of Province of Ontario and has the necessary corporate authority, power and capacity to own the Purchased Assets and to enter in this Agreement and to carry out the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the documents and Transactions contemplated herein on the terms and conditions herein contained;

Handwritten initials in circles, possibly initials of the parties involved in the agreement.

- (ii) the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the obligations of the Buyer hereunder and the documents and transaction contemplated herein have been authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of the Buyer enforceable against the Buyer in accordance with their terms;
- (iii) the person or persons who at Closing purchase the beneficial interests in the Purchased Assets (each of which must be the Buyer) will be registrants for the purposes of Part IX of the *Excise Tax Act* (Canada) and by virtue of paragraph 221(2)(b) of such law, the Seller is not obliged to collect the GST and/or HST from the Buyer or to pay GST and/or HST; and
- (iv) the Buyer has not retained the services of any real estate broker or agent in connection with the Transaction contemplated by this Agreement and has not dealt with any broker or agent in connection with the transaction save and except for the Buyer's real estate agent, Colliers Macaulay Nicolls (Ontario) Inc.

10. GENERAL

(a) **Solicitors as Agents and Tender**

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Buyer's Solicitors on behalf of the Buyer and by the Seller's Solicitors on behalf of the Seller and any tender of Closing Documents and the balance of the Purchase Price may be made upon the Seller's Solicitors and the Buyer's Solicitors, as the case may be. It is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been made by either party (the "Tendering Party") upon the other party (the "Receiving Party") when the solicitor for the Tendering Party has completed, in addition to all other requirements to effect a valid tender in accordance with the provisions of this Agreement and the DRA, all steps required by electronic registration in order to complete this transaction that can be performed or undertaken by the Tendering Party's solicitor without the cooperation or participation of the Receiving Party's solicitor, and specifically when the Tendering Party's solicitor has, whenever possible, electronically "signed" the document to effect the conveyance of the Purchased Assets and all other instruments to be registered against title to the Lands at the time of Closing for completion and granted access to the Receiving Party's solicitor.

(b) **Merger**

Except as otherwise expressly set out herein, this Agreement shall merge with the closing of the Transaction contemplated herein.

(c) **Survival**

Except as otherwise provided in this Agreement, no representations, warranties, covenants or agreements of either the Seller or the Buyer shall survive Closing. This provision survives Closing.

(d) **Successors and Assigns**

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement. The Buyer shall have no right to assign and/or encumber its rights and/or obligations hereunder in whole or in part or to effect a "change of control" so as to indirectly effect the foregoing, without in each case first obtaining the approval in writing of the Seller, which approval may be arbitrarily and unreasonably withheld by the Seller. However, Boutin Holdings Ltd. shall have



the one time personal right to assign its entire interest in this Agreement, with the prior written consent of the Seller, acting reasonably, to a single assignee (the "Permitted Assignee"), for so long as: (i) the Deposit has been paid in its entirety to the Seller; (ii) there are no existing defaults by the Buyer hereunder; (iii) the Buyer first notifies the Seller of said assignment in writing by no later than fifteen (15) business days prior to the Completion Date or such earlier date deemed necessary by the Seller in connection with the Approval and Vesting Order; and (iv) each of the Buyer and the Permitted Assignee first enters into an assumption agreement in favour of the Seller whereby each of the Buyer and the Permitted Assignee jointly and severally covenants and agrees in favour of the Seller that: (A) the Permitted Assignee agrees to assume and fully perform all of the Buyer's terms, covenants, indemnities, obligations, liabilities and responsibilities hereunder; (B) the Buyer shall not be released but shall remain jointly and severally liable with the Permitted Assignee for all of the Buyer's terms, covenants, indemnities, obligations, liabilities and responsibilities until the Closing occurs; and (C) the Buyer shall have no further right, title or beneficial interest in the Deposit, the Property and/or this Agreement. In the event of such an assignment and provided further that the transaction contemplated herein is successfully completed in a timely manner, then the Buyer shall, following the successful completion of the transaction only, thereafter, be released from any of its terms, covenants, indemnities, obligations, liabilities and responsibilities hereunder.

(e) **Notice**

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (hereinafter referred to as a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery during regular business hours on any Business Day or by telecopier, facsimile transmission or other electronic communication which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(A) **Seller:**

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

Attention: Robert Kofman  
Facsimile: (416) 932-6200

with a copy to the Seller's Solicitor:

Goodmans LLP  
2400-250 Yonge Street  
Toronto, Ontario  
M5B 2M6

Attention: Joseph Latham  
Facsimile: (416) 979-1234

(B) **Buyer:**

Boutin Holdings Limited  
443 Rainside Drive  
Brampton, ON  
L7A 1E1

Attention: Victor Boutin  
Facsimile: (905) 846-9949



with a copy to the Buyer's Solicitor:

Bloom Lanys Professional Corporation  
2171 Avenue Road, Suite 200  
Toronto, Ontario  
M5M 4B4

Attention: Barbara Lanys  
Facsimile: (416) 485-6054

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by telecopier, facsimile transmission or other electronic communication with confirmation of transmission prior to 5:00 p.m., shall be deemed to have been validly and effectively given and received on the Business Day it was sent unless the confirmation of transmission was after 5:00 p.m. in which case it shall be deemed to have been received on the next following Business Day.

**(f) No Registration of Agreement**

The Buyer covenants and agrees that it will not register or cause or permit to be registered this Agreement and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Property and the Buyer shall be deemed to be in default under this Agreement if it makes any registration or causes or permits any registration to be made on title to the Property prior to the successful completion of the transaction contemplated herein on the Completion Date.

**(g) Entire Agreement**

This Agreement, and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no warranties or representations and no other agreements between the parties hereto in connection with the agreement of purchase and sale provided for herein.

**(h) Facsimile Transmission**

This Agreement may be executed in counterpart and transmitted by telecopying device or email and the reproduction of signatures by way of telecopying device or email will be treated as though such reproductions were executed originals and each party to this Agreement undertakes to provide to each of the other parties to this Agreement a copy of the Agreement bearing original signatures and to do so within five (5) Business Days after the Execution Date.

**11. REALTY TAX ABATEMENT**

The Buyer acknowledges and agrees that the Seller is entitled to receive each and every reduction, rebate, refund, abatement, adjustment, benefit, credit and/or the like in connection with all realty taxes and related amounts levied against and/or payable in connection with the Property from time to time (collectively, the "Taxes") for the period up to the Completion Date whether arising or received before, on and/or after the Completion Date (collectively, the "Tax Rebate"). In that regard, the Buyer covenants and agrees to cooperate with the Seller for a period of two (2) years following the Completion Date, at no expense to the Seller (but at no material monetary cost to the Buyer), from time to time in connection with the Seller's ongoing efforts to recover the Tax Rebate, provided there is no material financial detriment to the Buyer. Without limiting the foregoing, the Buyer shall promptly execute and deliver such acknowledgements, directions and authorizations as may be reasonably required by the Seller from time to time in connection with the Tax Rebate, including, the conduct of assessment appeals at the Assessment Review Board, negotiations with the Municipal Property



Assessment Corporation and all steps necessary to maximize and ensure the timely recovery and payment of the Tax Rebate to the Seller. If at any time, the Buyer receives any portion of the Tax Rebate, it shall hold it in trust for the Seller and forthwith deliver it in its entirety to the Seller without any setoff, abatement or deduction whatsoever. In conjunction with the closing of the transaction contemplated herein, the Buyer shall execute and deliver to the Seller a realty tax agreement confirming the foregoing as well as an irrevocable and unconditional direction to the municipality and the applicable authorities confirming the foregoing (collectively, the "Realty Tax Agreement and Direction").

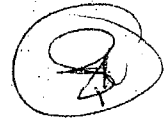
12. RICHTER'S CAPACITY

Notwithstanding anything else contained herein or elsewhere, the Buyer acknowledges and agrees that RSM Richter Inc. is entering into this Agreement solely in its capacity as court appointed receiver of the Debtor and not in its personal capacity and without any personal and/or corporate liability on its part of any kind whatsoever. The foregoing qualification and limitation shall be deemed incorporated by reference into each and every Notice relating to the transaction contemplated herein from time to time. This Section 12 shall survive and not merge upon the closing of the transaction contemplated herein

13. EFFECTIVE DATE

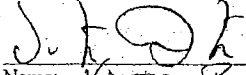
Each of the parties hereto acknowledges and agrees that, for the purposes of all references to the Agreement of Purchase and Sale for the Property, the date of said Agreement shall be deemed to be April 6, 2010. The parties are executing the attached Agreement and this Schedule solely for the purpose of obtaining a clean original executed copy hereof and the purpose of this document is not to amend the Agreement of Purchase and Sale or the original Schedules thereto.

BALANCE OF PAGE LEFT INTENTIONALLY BLANK



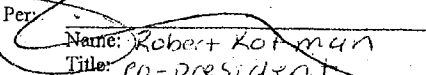
This Schedule is dated with effect as of April 6, 2010.

**BOUTIN HOLDINGS LIMITED**


Per:   
Name: VICTOR BOUTIN  
Title: PRESIDENT

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

~~RSM RICHTER INC., solely in its capacity as  
Court appointed receiver of SKD Company,  
including its general partners NMC Canada Inc.  
and 2515080 Nova Scotia Company and not in its  
personal capacity~~

Per:   
Name: Robert Korman  
Title: co-president

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**D**

**RSM** Richter

**First Report of RSM Richter Inc.  
as Court Appointed Receiver of  
NMC Canada, Inc., 2515080 Nova Scotia  
Company and SKD Company**

RSM Richter Inc.  
Toronto, October 23, 2009

## Table of Contents

1.	INTRODUCTION.....	1
	1.1 Purposes of this Report	2
	1.2 Currency	3
	1.3 Terms of Reference	3
2.	BACKGROUND .....	3
3.	DIRECTOR'S AND OFFICER'S CLAIMS PROCEDURE.....	4
4.	COMERICA.....	6
	4.1 Comerica Debt Allocation	7
5.	ESTIMATED RECOVERY ANALYSIS.....	8
6.	FUNDS HELD BY RICHTER.....	8
7.	DISTRIBUTIONS.....	10
8.	POTENTIAL PRIOR RANKING CLAIMS .....	11
9.	MAYNARDS AUCTIONS.....	12
10.	PACCAR LEASING .....	13
11.	BANKRUPTCY.....	13
12.	OVERVIEW OF THE RECEIVER'S ACTIVITIES .....	14
13.	RECOMMENDATION.....	15

## Index of Appendices

Appendix "A"	Initial Order
Appendix "B"	Receivership Order
Appendix "C"	Subordinated Participation Agreement, as amended

Court File No.: 09-CL-7960

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
- COMMERCIAL LIST -**

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

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

**FIRST REPORT OF RSM RICHTER INC.  
AS COURT APPOINTED RECEIVER OF  
NMC CANADA, INC., 2515080 NOVA SCOTIA COMPANY  
AND SKD COMPANY**

**October 23, 2009**

**1. INTRODUCTION**

Pursuant to an order (the "Initial Order") of the Ontario Superior Court of Justice (the "Court") made on January 21, 2009, NMC Canada, Inc. ("NMC"), 2515080 Nova Scotia Company ("2515") and SKD Company ("SKD") (collectively, the "Company") commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed as the Monitor. On June 11, 2009, the Court issued an order amending the Initial Order, placing the Company in receivership and appointing Richter as Receiver of the Company's property, assets and undertaking ("Receivership Order"). Copies of the Initial Order and the Receivership Order are provided in Appendices "A" and "B", respectively.

## 1.1 Purposes of this Report

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

- a) Provide background information about the Company, the CCAA proceedings and the receivership proceedings;
- b) Propose a process to identify claims against the Company's Directors and Officers falling under paragraphs 7(a), 9(a), 9(b) and 9(c) (the "Director Protection Paragraphs") of the Initial Order (the "Claims Procedure");
- c) Summarize the Receiver's estimate of the projected recoveries in these proceedings;
- d) Summarize the rationale for bankrupting the Company while continuing the receivership proceedings; and
- e) Recommend that this Honourable Court make an order:
  - Approving the Claims Procedure and authorizing the Receiver to carry out the Claims Procedure;
  - Directing the Receiver to make distributions i) in the amount of \$6 million to repay a portion of the "participations" funded by the Company's customers<sup>1</sup> on a subordinated secured basis under the Comerica Bank ("Comerica") facilities (the "Customer Participations") and ii) to repay the Canadian dollar equivalent of US\$53,000 to SKD US (defined in Section 2 below) for amounts that it funded to Comerica on the Company's behalf;
  - Permitting the Receiver to make further distributions to Comerica up to the full amount owing by the Company in respect of the Customer Participations;
  - Authorizing the Receiver to assign each of the Company's partners into bankruptcy with Richter acting as the trustee in bankruptcy in each case; and
  - Approving the Receiver's actions and activities as described in this Report.

---

<sup>1</sup> References to "Customers" include Ford Motor Company ("Ford"), Chrysler Canada Inc. and Chrysler LLC (jointly, "Chrysler") and Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, "Honda").



## 1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars. US dollars have been converted to Canadian dollars at a rate of US\$1.00 to C\$1.04.

## 1.3 Terms of Reference

In preparing this Report, the Receiver has relied upon the Company's books and records, including information assembled by and analyses performed by Company employees. The Receiver 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 the Receiver's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver 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 Receiver in preparing this Report.

Unless otherwise noted in this Report, all capitalized terms not otherwise defined herein have the meaning ascribed to them in the Initial Order and/or the Receivership Order.

## 2. BACKGROUND

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

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

Additional information concerning the Company and these proceedings is provided in Richter's report dated January 21, 2009 (filed as proposed monitor) and Richter's prior reports filed in the CCAA proceedings in its capacity as Monitor. Copies of these reports can be found on Richter's website at [www.rsmrichter.com](http://www.rsmrichter.com).

### **3. DIRECTOR'S AND OFFICER'S CLAIMS PROCEDURE**

The Initial Order created a \$3 million charge in favour of the Company's Directors and Officers (the "Directors' Charge") for claims arising under the Director Protection Paragraphs. The obligations under these paragraphs include, *inter alia*, amounts owing to employees for wages, vacation pay, commissions, retention amounts and pension contributions and priority obligations owing to federal and provincial governments, including sales taxes and employee withholdings. The Receivership Order preserved the priority and status of the Directors' Charge. Pursuant to the terms of the Receivership Order, the Directors' Charge ranks in priority to the Receiver's Charge in the Receivership Order<sup>2</sup>. Since the Company's operations have ceased and most of the operating assets have been sold, the Receiver believes that it is appropriate to take steps to conclude all matters related to the Directors' Charge and to proceed with distributions to creditors of the Company in accordance with legal priorities. This necessitates a D&O Claims Procedure.

---

<sup>2</sup> The Receivership Order also preserved the priority of the Administration Charge established by the Initial Order.

The following is an overview of the Claims Procedure<sup>3</sup>:

- The Claims Procedure is intended to solicit and resolve claims, if any, covered by the Director Protection Paragraphs;
- The Receiver is to send by ordinary mail a copy of the Proof of Claim Document Package (which includes a copy of the Instruction Letter and Proof of Claim) to each Person set out in the Claims Procedure Order. This includes all of the employees of the Company whose employment continued after January 21, 2009, and both the Ontario and Federal governments;
- The Receiver is to post a copy of the Proof of Claim Document Package on its website from the date of the Claims Procedure Order until ten Business Days after the Claims Bar Date;
- The Receiver is to place notices in *The Globe and Mail (National Edition)* and the *Automotive News* within five (5) business days of the making of the Claims Procedure Order. The notice, the form of which is attached to the draft Claims Procedure Order, is to advise of the Claims Procedure, call for Claims and advise of the proposed Claims Bar Date, being 45 days after the date of the Claims Procedure Order being issued;
- Any and all Claims not filed by 5:00 pm (Toronto time) on the Claims Bar Date are to be extinguished and forever barred against the Directors and Officers;
- If the Claimant, Director or Officer disputes the acceptance, revision, or disallowance of any D&O Claim by the Receiver, in whole or in part, the Claimant, Director or Officer must file a Notice of Dispute with the Receiver within 10 business days of issuance of the Receiver's Notice of Revision or Disallowance or Notice of Acceptance;
- In the event that the dispute cannot be consensually resolved between a Claimant, Director or Officer and the Receiver, the Receiver shall recommend to the Court the process to be followed to quantify and/or to resolve any disputes that exist; and
- If a Claimant, Director or Officer fails to appeal the Notice of Revision or Disallowance or Notice of Acceptance by filing a Notice of Dispute within the prescribed time, the Claim is to be deemed to be as set out in the a) Notice of Acceptance or b) Notice of Revision or Disallowance, as the case may be.

---

<sup>3</sup> Unless otherwise defined in this Report, defined terms in this section have the meaning provided to them in the draft Claims Procedure Order appended to the motion record.

The proposed forms to be used in the Claims Procedure (including the Instruction Letter, the Proof of Claim form, the Notice of Revision or Disallowance and the Notice of Dispute) are appended as Schedules to the draft Claims Procedure Order.

After the conclusion of the Claims Process, the Receiver will report to the Court as to its results and will make a recommendation as to the payment of any claims accepted or otherwise determined to be an appropriate claim under the Directors' Charge and will recommend the discharge of the Directors' Charge after any such payments are made.

#### 4. COMERICA

Comerica is the SKD Group's primary secured creditor. Prior to and during the CCAA proceedings, Comerica provided the SKD Group with, *inter alia*, a revolving loan facility which was used by the SKD Group (including SKD US and the Company) to fund its business and operations. Comerica and the Customers, through Customer Participations<sup>4</sup>, funded the Company's business and operations during the CCAA proceedings. Customer Participations were amounts advanced by the Customers to purchase participations in the Comerica facility, which amounts Comerica then lent to the Company. Pursuant to a subordinated participation agreement, as amended, dated January 21, 2009, a copy of which is provided in Appendix "C", although secured under the Comerica facility, the Customer Participations ranked subordinate to Comerica's own advances to the Company.

In its report as proposed Monitor dated January 21, 2009, Richter reported on, and appended thereto, the security opinion it had received from Goodmans LLP ("Goodmans")

---

<sup>4</sup> The Customers also funded certain amounts to the Company on an unsecured basis, which were funded into escrow accounts that the Company used to make payments to employees. These amounts total \$10,050,156 and are referenced in Section 5 below. This unsecured funding is separate and apart from the Customer Participations.

finding the security of Comerica to be valid and enforceable. Accordingly, in the normal course of the Company's operations during the CCAA proceedings, the Company's net cash receipts generated from the collection of its accounts receivable and the sale of its assets were applied to reduce and repay all of the Company's obligations owing directly to Comerica – the Company remains indebted to Comerica for Customer Participations totalling approximately US\$11.316 million.

#### **4.1 Comerica Debt Allocation**

Due to the manner in which Comerica funded the business and operations of the SKD Group, it was necessary to determine the amount of the Comerica debt allocable to each of SKD US and the Company. Richter's ninth report, dated May 28, 2009, issued in the CCAA proceedings, advised of an analysis dated May 27, 2009 prepared by Richter and the Company's financial advisors in respect of the allocation of Comerica's debt (including Customer Participations) between SKD US and the Company. Based on further information that became available to Richter after it was appointed as Receiver, Richter amended the debt allocation analysis, as summarized in a memorandum it prepared dated August 25, 2009. The August 25<sup>th</sup> memorandum was provided to Company representatives and Customer representatives. No party has advised the Receiver of any objections to the allocation.

Based on the revised debt allocation analysis, the Receiver is of the view that the Company owes SKD US approximately US\$53,000, representing the net amount paid to Comerica by SKD US on behalf of the Company for which SKD US stands in the shoes of Comerica. The debt allocation analysis also reflects that the Company owes Comerica approximately US\$11.316 million in respect of Customer Participations.

## 5. ESTIMATED RECOVERY ANALYSIS

The Receiver has prepared an analysis of the potential recoveries on the Company's remaining assets. The analysis reflects that there could be a significant surplus available to be shared among the unsecured creditors of the Company, which includes amounts funded by the Customers (\$10,050,156) to the Company on an unsecured basis during the CCAA proceedings to fund various payments that were made to the Company's employees under union settlement agreements approved by this Court on April 3, 2009. The ability to achieve the results detailed in the recovery analysis is largely contingent on receipt of certain tax refunds and the sale of the Company's two owned parcels of real property.

## 6. FUNDS HELD BY RICHTER

Richter, in its capacities as Receiver and as Escrow Agent (as defined in the Monitor's tenth report to Court, dated June 8, 2009), presently maintains the following accounts:

Account Type	Held By	Amount (\$000s) <sup>5</sup>
General Account	Receiver	12,855
Trust Account (Directors' Obligations)	Receiver	1,285
Trust Account (Chrysler)	Receiver	861
Union Escrow Account	Escrow Agent	261
Retention Escrow Account	Escrow Agent	126

A summary of these accounts is as follows:

- The monies in the General Account include proceeds transferred from the Monitor's accounts, which included, *inter alia*, proceeds from the sale transactions previously approved by this Honourable Court and from the collection of accounts receivable. The funds in this account also include the net minimum guarantee paid by Maynards Industries Ltd. ("Maynards") in respect of the sale of the Company's fixed assets. The funds held in this account are net of operating costs paid during the receivership period.

<sup>5</sup> Account balances are as at October 16, 2009.

- The monies in the Trust Account (Directors' Obligations) were funded by the Customers to the Company at the commencement of the CCAA proceedings to be held in trust to satisfy potential post-CCAA directors' obligations in respect of employee obligations (including wages and vacation pay). The Receiver is not aware of any unpaid post-filing employee obligations.
- The monies in the Trust Account (Chrysler) were paid to Richter by Chrysler pending resolution of items in dispute between Chrysler and the Company. These items remain unresolved.
- The monies in the Union Escrow Account were funded by the Customers to the Company on an unsecured basis to be paid to the Company's former unionized employees in respect of severance and termination pay. Payments made to employees totalled approximately \$9.8 million. There are no known amounts owing to the employees; however, on or about July 30, 2009, counsel to the United Steelworkers Union ("USW") contacted Goodmans regarding three Company employees who were terminated prior to the commencement of the CCAA proceedings and were not included as part of the union settlement agreement. The USW believes that these individuals should have been a party to the agreement. The Receiver's counsel is following up with the USW regarding this matter.
- The monies in the Retention Escrow Account were funded by way of Customer Participations in March, 2009 to be distributed to the "Non-Go-Forward Employees"<sup>6</sup>. Payments totalling approximately \$1.1 million were made to the Non-Go-Forward Employees. The funds remaining in this account relate to over-funding by the Customers, as they provided funding for four employees who had previously been terminated.

---

<sup>6</sup> Certain of the Company's salaried employees who were not offered employment by any purchaser of the Company's businesses.

## 7. DISTRIBUTIONS

As at October 31, 2009, the Receiver anticipates having the following proceeds available for distribution to creditors and/or funding ongoing operating expenses:

	Amount (\$000s)
General Account – as at October 16, 2009	12,855
Less: Estimated October operating expenses	(40)
Estimated General Account as at October 31, 2009	12,815
Trust Account (Directors' Obligations)	1,285
Projected Cash Available for Distribution, October 31, 2009	14,100

The Receiver is seeking approval of this Honourable Court to make distributions totalling: a) approximately \$6 million to Comerica in reduction of amounts owing under the Customer Participations; and b) the Canadian dollar equivalent of US\$53,000 to SKD US to satisfy it in full on account of any and all amounts that it paid or repaid on behalf of the Company. The Receiver will continue to hold approximately \$8 million to secure potential claims under the Directors' Charge and to fund the ongoing fees and expenses of the Receiver to complete the Claims Process, sell the remaining assets<sup>7</sup> and administer a bankruptcy, as detailed below.

	Amount (\$000s)
Directors' Charge	3,000
Liabilities that may rank ahead of the Customers <sup>8</sup>	2,000
Estimated occupancy costs (12 months)	1,900
Contingency	1,000
Holdback amount	7,900
Rounded	8,000

<sup>7</sup> In order to sell the real estate, the Receiver has incurred and will incur costs related to surveys, environmental studies and roof repairs. Additional reports may need to be commissioned and additional costs may need to be incurred.

<sup>8</sup> Includes employee wages, professional fees and a contingency for miscellaneous costs.



The Receiver is also requesting that it be authorized, without further order of the Court, to make further distributions to Comerica, from funds which are or become available, until the Customer Participations are fully repaid; provided that, among other reserve amounts, sufficient reserves be held to fund the payment of the Directors' Charge pending completion of the Claims Process and further order of the Court.

The recommended distributions do not involve any of the monies held in the Union Escrow Account, Retention Escrow Account or the Chrysler Trust Account.

## 8. POTENTIAL PRIOR RANKING CLAIMS

The Receiver is not aware of any claim that ranks or may rank in priority to Comerica for which there will not be sufficient funds remaining in the bank accounts maintained by the Receiver. In this regard, the Initial Order created the following charges which rank in priority to Comerica:

- The Administration Charge (up to \$1,000,000). The Administration Charge provides a charge in favour of certain professionals involved in the CCAA proceedings. All such amounts have been paid or are otherwise sufficiently covered by retainers paid to certain professionals in advance of the CCAA proceedings.
- The Directors' Charge (up to \$3,000,000). The Receiver's understanding of the status of amounts which may be covered by the Director Protection Paragraphs is as follows:
  - There is no GST owing. The Company is typically in a GST refundable position;
  - The Company does not collect provincial sales tax; and
  - The Company funded all wages and payroll taxes in the normal course, both prior to and during the CCAA proceedings.

If any amounts are identified by the Claims Procedure that are a valid claim against the Directors' Charge, the Claim can be satisfied from the amounts being withheld.

Other than the claims that are subject to the Administration Charge, the Directors' Charge and an asserted repairs and storage lien claim in the amount of \$25,773 (the "RSLA Claim"), the Receiver is not aware of any other claims that may rank in priority to Comerica. The Receiver is working to resolve the RSLA Claim; sufficient funds remain to have it satisfied.

## **9. MAYNARDS AUCTIONS**

Pursuant to the asset purchase and liquidation services agreement ("APLSA") previously approved by this Honourable Court, the full amount of the net minimum guarantee (\$3.1 million) has been paid to the Receiver.

The auctions for the sale of the Milton and Brampton assets were held on October 14 and 15, 2009, respectively. The net proceeds from the auction sales, including pre-auction sales, (excluding the buyer's premium charged by Maynards) were approximately \$3.33 million. Pursuant to the terms of the APLSA, sale proceeds in excess of \$3.35 million were to be shared 85%/15% between the Receiver and Maynards, in favour of the Receiver. Since the total sale proceeds were less than this \$3.35 million, no further proceeds are to be paid to the Receiver. In addition to the assets sold by Maynards that were included as part of the net minimum guarantee, there were additional assets sold by Maynards on a commission basis. Total proceeds from commission sales (net of the 10% commission paid to Maynards) were approximately \$100,000.

**E**

**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 1 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: rmcdowell@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.

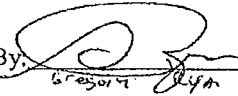
20. Participants acknowledge that they have reviewed (or have had the opportunity to review) this Agreement with counsel of their choice and have executed this Agreement of their own free will and accord and without duress or coercion of any kind by Lender or any other person or entity.

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:

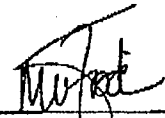
COMERICA BANK

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

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

PARTICIPANTS:

GENERAL MOTORS CORPORATION

By: 

Its: DIRECTOR, Supply Risk Mot.

D

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. Morgan <sup>1/21/02</sup>

Its: Purchasing manager

CHRYSLER LLC

*KKK*

By: *Jan A. Butel*  
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: 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: \_\_\_\_\_

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

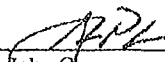
By: 

Vytas Ambutas

Its: Secretary

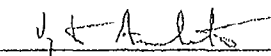
SKD COMPANY

By: 2515080 Nova Scotia Company  
Its: General Partner

By:   
John Chen  
Its: Vice President

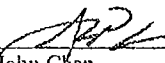
"GUARANTORS"

NMC CANADA INC.

By:   
Vytas Ambutas  
Its: Secretary

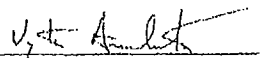
SKD HOLDING, L.P.

By: SKD Holding, Inc.  
Its: General Partner

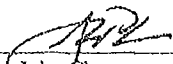
By:   
John Chen  
Its: Vice President/Treasurer

SKD, L.P.

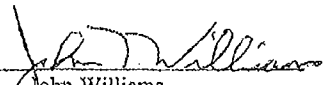
By: Quincy Holdings, Inc.  
Its: General Partner

By:   
Vytas Ambutas  
Its: Secretary

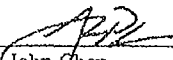
2515080 NOVA SCOTIA COMPANY

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

**F**

**CANADIAN DISBURSEMENT AGREEMENT**

This Canadian Disbursement Agreement (the "**Disbursement Agreement**") is dated this \_\_\_\_\_ day of April, 2010.

**B E T W E E N:**

**SKD COMPANY, 2515080 Nova Scotia Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

- and -

**SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP  
by PL International Corporation, its General Partner**

- and -

**RSM RICHTER INC., in its capacity as disbursing agent and  
not in its personal capacity**

- and -

**FORD MOTOR COMPANY**

- and -

**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**

- and -

**CHRYSLER GROUP LLC**

- and -

**GENERAL MOTORS LLC**

**RECITALS:**

**WHEREAS:**

1. SKD Automotive Group, Limited Partnership ("**SKD Automotive**") was an automotive parts supplier with operations in the United States and Mexico and which had operations in Canada through its indirect subsidiary, SKD Company;

2. SKD Company supplied automotive parts in Canada and SKD Automotive supplied automotive parts in the United States to General Motors LLC ("GM"), Ford Motor Company ("Ford"), Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc. (Chrysler Group LLC now having acquired certain assets and rights from Old Carco LLC f/k/a Chrysler LLC and Old Carco Motors LLC f/k/a Chrysler Motors 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 Ford and Chrysler, the "**Participants**", or the "**Customers**" and each individually a "**Participant**" or a "**Customer**");
3. SKD Company commenced proceedings and was granted protection under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") by Order of the Ontario Superior Court of Justice (the "**Court**") dated January 21, 2009, and was subsequently placed into receivership by Order of the Court dated June 11, 2009;
4. RSM Richter Inc. was appointed the monitor in the CCAA Proceedings (the "**Monitor**") and is the receiver of SKD Company, 2515080 Nova Scotia Company and NMC Canada Inc. (the "**Receiver**");
5. Pursuant to a loan agreement dated December 13, 2007, as amended, Comerica Bank ("**Comerica**") had various loans to SKD Company and to SKD Automotive (collectively, the "**Loans**");
6. The Customers and GM agreed to purchase from Comerica for cash, at par, undivided subordinated interests (each a "**Participation**") in the Loans pursuant to an Amended and Restated Subordinated Participation Agreement dated January 21, 2009 (the "**Participation Agreement**"), as amended, among the Customers, GM and Comerica. In fact, the Customers and GM collectively funded Participations totalling USD\$2,352,000 (the "**U.S. Participations**") in respect of SKD Automotive's operations prior to their sale, and the Customers collectively funded Participations totalling USD\$11,314,759 (the "**Canadian Participations**") in respect of SKD Company's operations prior to the receivership. All of the Participations purchased by GM are U.S. Participations;
7. The Participants, SKD Automotive, SKD Company, 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. are parties to the Additional Participations and Allocations Agreement dated January 21, 2009, as amended by the Amendment to Additional Participation Agreement dated March 1, 2009 (the "**Additional Participations and Allocation Agreement**"), whereby the parties agreed to, among other things, certain terms in connection with repayment of the Participations. In particular, the Additional Participations and Allocation Agreement provides that, in the event that the proceeds of sale of SKD Automotive's assets exceed the amount required to pay in full the obligations of SKD Automotive to Comerica and on account of the U.S. Participations, such surplus would be used to pay 50% of any shortfall on Canadian



Participations funded prior to March 1, 2009, arising from the liquidation of SKD Company's assets;

8. Paragraph 7 of the Participation Agreement contemplates that, in the event the Customers are entitled to receive any payment on account of the Participations under the Participation Agreement after payment in full of the senior obligations of SKD Company and SKD Automotive (collectively, the "**Borrowers**") to Comerica, such payment is to be paid to a disbursing agent for disbursement under a separate agreement among the Customers and the Borrowers;
9. Comerica has been repaid the full amount of the senior obligations of the Borrowers to Comerica (except for payment of accrued and accruing expenses and fees under the Loan Agreement), and Comerica currently holds the sum of approximately USD\$10.5 million as cash collateral representing the proceeds generated from the sale and realization of certain assets of SKD Automotive in the United States and Mexico (the "**U.S. Funds**");
10. The Receiver currently holds, *inter alia*, the sum of approximately CAD\$15.3 million representing the proceeds of sale generated from the sale and realization of assets of SKD Company in Canada to date, and the Receiver wishes to seek the Court's authority to make a distribution to Comerica to repay the amount of the Canadian Participations plus all accrued interest thereon at the date of the Receiver being authorized by the Court to make such a distribution (such amount to be referred to herein as the "**Canadian Repayment Funds**");
11. This Disbursement Agreement addresses repayment on account of the Canadian Participations. A separate disbursement agreement dated April \_\_, 2010, among the parties to this Agreement will address payments on account of the U.S. Participations;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereto agree as follows:

Appointment of Disbursing Agent

1. Pursuant to paragraph 7 of the Participation Agreement, the Participants and the Borrowers hereby appoint RSM Richter Inc., and RSM Richter Inc. hereby agrees to act, as disbursing agent pursuant to the terms hereof (the "**Disbursing Agent**") to receive the Canadian Repayment Funds and to hold same for the benefit of the Customers and to distribute same in accordance with the terms hereof. The parties acknowledge that the Disbursing Agent is acting solely for the convenience of the parties for the purposes outlined herein and the Disbursing Agent shall not be deemed to be the agent of any of the parties.
2. The parties acknowledge that the Disbursing Agent is a separate party, distinct from RSM Richter Inc., in its capacity as Monitor and Receiver.

3. The parties acknowledge that RSM Richter Inc. is not acting in its personal capacity in performing the responsibilities of the Disbursing Agent.

Distribution of Funds

4. The parties shall execute and deliver to Comerica the direction attached hereto as Schedule "A", authorizing and directing Comerica to transfer the Canadian Repayment Funds to the Disbursing Agent immediately after receipt thereof by Comerica from the Receiver pursuant to paragraph 5 below.
5. Subject to the Court approving the distribution of the Canadian Repayment Funds as contemplated herein to repay in full the Canadian Participations plus interest, the Receiver shall transfer the Canadian Repayment Funds to Comerica for application to the Loans and payment to the Disbursing Agent for distribution to the Customers in full satisfaction of the Canadian Participations in the manner contemplated by paragraph 6 below.
6. The parties shall execute and deliver to the Disbursing Agent the direction attached hereto as Schedule "B" to distribute the Canadian Repayment Funds to the Customers in full and final repayment of the Canadian Participations.
7. The Disbursing Agent agrees that, immediately upon receipt of the Canadian Repayment Funds and the written direction referenced in paragraph 6, it will distribute those funds as directed by the parties in the direction attached as Schedule "B".

Disbursing Agent's Rights and Duties

8. In relation to the duties and responsibilities of the Disbursing Agent, the parties agree as follows:
  - (a) the Disbursing Agent's duties and responsibilities shall be as specifically set forth herein and there shall be no implied duties or obligations other than as provided for herein and the Disbursing Agent shall have no obligations, responsibilities or liability arising under any other agreements to which the Disbursing Agent is not a party, even though reference to such other agreements may be made in this Disbursing Agreement. The Disbursing Agent shall not be liable for any action taken or omitted to be taken by it in good faith and in the exercise of its own reasonable business judgment, unless such action involved gross negligence or wilful misconduct. Disbursement by the Disbursing Agent of the Canadian Repayment Funds in accordance with the provisions of this Disbursement Agreement shall constitute a complete discharge and satisfaction of the obligations of the Disbursing Agent hereunder;
  - (b) the Disbursing Agent shall have no responsibility to inquire into the genuineness or validity of any documents delivered to it and reasonably believed by it to have been signed by the proper person or persons and shall be entitled to rely thereon

and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof;

- (c) the Disbursing Agent shall not be responsible to enforce any obligation of any person, whether under the Participation Agreement or otherwise;
- (d) the Disbursing Agent shall be entitled to rely upon the advice and directions of the Court in respect of any matter relating to the discharge of its duties provided only such directions are obtained upon notice to the Customers, Comerica and the Borrowers, such advice may include directions as to the payment of the Canadian Repayment Funds (or any portion thereof);
- (e) in the event that the Customers and the Borrowers, or any of them, become involved in any dispute process involving the Participation Agreement, or any other agreement affecting the Canadian Repayment Funds, the Disbursing Agent shall have standing to participate in such proceedings. The Disbursing Agent shall be authorized to rely upon any decision arising from such proceedings, provided such decision shall be final and shall not have been stayed, reversed or varied;
- (f) in the event of any controversy or dispute under this Disbursement Agreement or with respect to any question regarding the construction hereof or any action to be taken or omitted to be taken by the Disbursing Agent, the Disbursing Agent may pay the Canadian Repayment Funds (or such remaining portion thereof, including interest earned thereon) into the Court to be disbursed pursuant to further order of the Court and shall notify the Customers and the Borrowers of such payment into the Court and the Disbursing Agent shall be relieved of and discharged from any and all obligations and liabilities hereunder; and
- (g) the Disbursing Agent may resign at any time upon thirty days' written notice to Customers and the Borrowers or such shorter notice as they may accept in writing as sufficient and shall thereafter pay the Funds (or any remaining portion thereof, including interest earned thereon) to such replacement disbursing agent in accordance with a joint direction of the Customers and the Borrowers or into the Court in accordance with the preceding paragraph if the parties shall not have jointly designated a replacement disbursing agent.

Miscellaneous Matters

9. All notices shall be given in writing (including facsimile or email) and shall be given to the addresses set forth below:

- (a) If to SKD Automotive:

1965 Pratt Boulevard  
Elk Grove Village, IL 60007

Attention: Vytas P. Ambutas  
Fax: (847) 806-7244  
Email: vambutas@nmlp.com

With a copy to:

**Skadden, Arps, Slate, Meagher & Flom LLP**  
155 North Wacker Drive  
Chicago, IL 60606-1720

Attention: George Panagakis  
Fax: (312) 407-8586  
Email: george.panagakis@skadden.com

(b) If to SKD Company:

**c/o: RSM Richter Inc., as receiver**  
200 King Street W., Suite 1100  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Robert Kofman  
Fax: (416) 932-6200  
Email: Bkofman@RSMRichter.com

With a copy to:

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

Attention: Joseph Latham  
Fax: (416) 979-1234  
Email: jlatham@goodmans.ca

(c) If to the Disbursing Agent:

**RSM Richter Inc.**  
200 King Street W., Suite 1100  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Robert Kofman  
Fax: (416) 932-6200  
Email: Bkofman@RSMRichter.com

With a copy to:

**Goodmans LLP**

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

Attention: Joseph Latham  
Fax: (416) 979-1234  
Email: jlatham@goodmans.ca

(d) If to Chrysler:

**Chrysler Group LLC**

800 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, MI 48326

Attention: Sigmund Huber  
Fax: (248) 512-1771  
Email: seh43@chrysler.com

With a copy to:

**Chrysler Group LLC**

1000 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, MI 48326-2766

Attention: Kim R. Kolb  
Fax: (248) 512-1771  
Email: krk4@chrysler.com

And to:

**Dickinson Wright PLLC**

500 Woodward Avenue, Suite 4000  
Detroit, MI 48226

Attention: James A. Plemmons  
Fax: (313) 223-3598  
E-mail: jplemmons@dicksonwright.com

With a copy to:

**Borden Ladner Gervais LLP**  
Scotia Plaza, 40 King St. W.  
Toronto, ON M5H 3Y4

Attention: Craig J. Hill  
Fax: (416) 361-7301  
Email: chill@blgcanada.com

(e) If to Ford:

**Ford Motor Company**  
One America Road  
World Headquarters, Suite 416  
Dearborn, MI 48126

Attention: Daniella Saltz  
Fax: (313) 322-3084  
Email: dsaltz@ford.com

With a copy to:

**Miller Canfield Paddock and Stone, PLC**  
Suite 300  
443 Ouellette Avenue  
Windsor, ON N9A 6R4

Attention: John Leslie  
Fax: (519) 977-1565  
Email: leslie@millercanfield.com

(f) If to Honda:

**Honda of America Mfg., Inc.**  
24000 Honda Parkway  
Marysville, OH 43040-9251

Attention: Joseph F. LaFleur  
Fax: (937) 644-6583  
Email: Joe\_LaFleur@ham.honda.com

With a copy to:

**Vorys, Sater, Seymour and Pease LLP**  
52 East Gay Street  
Columbus, OH 43216-1008

Attention: Robert A. Bell, Jr.  
Fax: (614) 719-5169  
Email: rabell@vorys.com

And to:

**Blake, Cassels & Graydon LLP**  
199 Bay Street, Suite 2800  
Commerce Court West  
Toronto, ON M5L 1A9

Attention: Steven J. Weisz  
Fax: (416) 863-2653  
E-mail: steven.weisz@blakes.com

(g) If to GM:

**General Motors LLC**  
30009 Van Dyke Road  
P.O. Box 9025  
Mail Code: 480-206-136  
Warren, MI 48090-9025

Attention: Mark W. Fischer  
Fax: (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, MI 48226

Attention: Aaron Silver  
Fax: (313) 465-7561  
Email: asilver@honigman.com

10. The term of this Disbursement Agreement shall commence on the date hereof and shall continue until the Disbursing Agent has released all amounts in respect of the Canadian Repayment Funds in accordance with this Disbursement Agreement.

11. This Disbursement Agreement reflects the entire agreement between the parties with respect to the matters contained herein and represents the disbursement agreement contemplated by paragraph 7 of the Participation Agreement. For greater certainty, nothing in this Disbursement Agreement shall impair the ability of the Customers to advance unsecured claims against the estate of SKD Company in respect of matters unrelated to the Participations.
12. This Disbursement Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided that the Disbursing Agent shall not be permitted to assign its obligations hereunder except as specifically contemplated herein. It is intended that Comerica be a third party beneficiary of this Disbursement Agreement and all directions given pursuant to this Disbursement Agreement and that Comerica may enforce the terms thereof.
13. If any term shall be found to be unenforceable, illegal or invalid by a court of competent jurisdiction, the remainder of this agreement shall continue in full force and effect and shall not thereby be affected, invalidated or impaired.
14. No waiver of any of the provisions of this Disbursement Agreement shall be binding unless in writing and delivered in accordance with the provisions hereof.
15. The parties agree to deliver to each other such further and other assurances as may be reasonably necessary or desirable to give effect to this Disbursement Agreement.
16. Time shall be of the essence to this Disbursement Agreement.
17. This Disbursement Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable herein and the parties attorn to the jurisdiction of Ontario in the event of a dispute hereunder.
18. This Disbursement Agreement may be signed in any number of counterparts each of which shall be an original with the same effect as if the signatures were each upon the same instrument. This Disbursement Agreement shall be effective when each party hereto shall have received by facsimile or electronic transmission a counterpart hereof signed by each of the other parties.

**IN WITNESS WHEREOF**, the parties have caused this Disbursement Agreement to be duly executed as of the date first above written.



**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**RSM RICHTER INC., as disbursing agent and  
not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the partnership.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SCHEDULE "A"**

**DIRECTION**

<b>TO:</b>	<b>COMERICA BANK ("Comerica")</b>
<b>AND TO:</b>	<b>RSM RICHTER INC., as disbursing agent</b>
<b>SUBJECT:</b>	<b>INTERIM DISTRIBUTION ON ACCOUNT OF CANADIAN PARTICIPATIONS</b>

Pursuant to that certain Canadian Disbursement Agreement dated April \_\_, 2010, between the undersigned (the "**Canadian Disbursement Agreement**"), upon receipt by Comerica of the sum of CAD\$● (the "**Canadian Repayment Funds**") from RSM Richter Inc., in its capacity as Court-appointed receiver and manager of NMC Canada Inc., 2515080 Nova Scotia Company and SKD Company, each of the undersigned does hereby irrevocably authorize and direct Comerica to apply such funds against the Loans (as defined in the Canadian Disbursement Agreement) and to transfer the Canadian Repayment Funds to RSM Richter Inc., as disbursing agent (the "**Disbursing Agent**"), for distribution to the Customers on account of the Canadian Participations as provided for in the Canadian Disbursement Agreement, in accordance with the following wire instructions:

**[insert particulars]**

Each of the Participants and General Motors LLC acknowledges and agrees that, pursuant to paragraph 5 of the Participation Agreement, in the event that Comerica is required to disgorge any amount it has received on account of the Loans, the Participants shall immediately reimburse Comerica for the amount that Comerica was required to disgorge, limited to the amount of distributions received by the Participants on account of the Loans.

Furthermore, SKD Automotive Group, Limited Partnership, acknowledges its obligations under the Loan Agreement to indemnify, defend and hold harmless Comerica with respect to its receipt of cash for application to the Loans and distribution of that cash to the Disbursing Agent.

All capitalized terms herein shall have the meaning given to those terms in the Canadian Disbursement Agreement.

**Dated** this \_\_\_\_ day of April, 2010

- 2 -

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_

Name: Vytas Ambutas

Title: Secretary

I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**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**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**SCHEDULE "B"**

**DIRECTION**

<b>TO:</b>	<b>RSM RICHTER INC., as disbursing agent (the "Disbursing Agent")</b>
<b>SUBJECT:</b>	<b>FINAL DISTRIBUTION ON ACCOUNT OF CANADIAN PARTICIPATIONS</b>

A. Pursuant to that certain Canadian Disbursement Agreement dated April \_\_, 2010, between the undersigned, and pursuant to an order of the Ontario Superior Court of Justice dated April 29, 2010, each of the undersigned does hereby irrevocably authorize and direct the Disbursing Agent to distribute the Canadian Repayment Funds to the following parties in accordance with the following instructions:

1. Pay the sum of USD\$3,637,146.66, plus interest to April 30, 2010 of USD\$202,130.32, plus any *per diem* interest of US\$480.47 per day to the extent that the payment is made after April 30, 2010, to Ford Motor Company, in accordance with the following wire instructions:

**[insert wire instructions]**

2. Pay the sum of USD\$1,276,104.49, plus interest to April 30, 2010 of USD\$70,918, plus any *per diem* interest of US\$168.57 per day to the extent that the payment is made after April 30, 2010, to Honda of America Mfg, in accordance with the following wire instructions:

**[insert wire instructions]**

3. Pay the sum of USD\$6,401,507.85, plus interest to April 30, 2010 of USD\$355,756.57, plus any *per diem* interest of US\$845.64 per day to the extent that the payment is made after April 30, 2010, to Chrysler Group LLC, in accordance with the following wire instructions:

**[insert wire instructions]**

B. Each of the undersigned agrees that it shall have no further claims or demands whatsoever relating to SKD Company, its partners, affiliates and related parties, against:

- (i) any other party hereto;
- (ii) Comerica Bank;
- (iii) RSM Richter Inc., in its capacity as receiver of SKD Company, 2515080 Nova Scotia Company and NMC Canada Inc.; or
- (iv) the Disbursing Agent,

other than in respect of (a) the Unresolved Claims or against the U.S. Holdback Funds (both as defined in the U.S. Disbursement Agreement), (b) the Customers' unsecured claims against the estate of SKD Company, NMC Canada, Inc. and 2515080 Nova Scotia Company, (c) certain outstanding issues between Chrysler and SKD Company and between Honda and SKD Company arising in connection with the Canadian Accommodation Agreement among the Participants and SKD Company (the "**Canadian Accommodation Agreement**") and (d) the Unresolved Commercial Issues in respect of Chrysler set out in the Canadian Accommodation Agreement.

All capitalized terms herein shall have the meaning given to those terms in the Canadian Disbursement Agreement.

Dated this \_\_\_\_ day of April, 2010

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.



**G**

**U.S. DISBURSEMENT AGREEMENT**

This U.S. Disbursement Agreement (the "Disbursement Agreement") is dated this \_\_\_\_ day of April, 2010.

**B E T W E E N:**

**SKD COMPANY, 2515080 Nova Scotia Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

- and -

**SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP  
by PL International Corporation, its General Partner**

- and -

**RSM RICHTER INC., in its capacity as disbursing agent and  
not in its personal capacity**

- and -

**FORD MOTOR COMPANY**

- and -

**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**

- and -

**CHRYSLER GROUP LLC**

- and -

**GENERAL MOTORS LLC**

**RECITALS:**

**WHEREAS:**

1. SKD Automotive Group, Limited Partnership ("**SKD Automotive**") was an automotive parts supplier with operations in the United States and Mexico and which had operations in Canada through its indirect subsidiary, SKD Company;
2. SKD Company supplied automotive parts in Canada and SKD Automotive supplied automotive parts in the United States to General Motors LLC ("**GM**"), Ford Motor Company ("**Ford**"), Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc.

(collectively "**Chrysler**", and including Chrysler Group LLC, having acquired certain assets and rights from Old Carco LLC f/k/a Chrysler LLC and Old Carco Motors LLC f/k/a Chrysler Motors LLC) 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**", or the "**Customers**" and each individually a "**Participant**" or a "**Customer**");

3. SKD Company commenced proceedings and was granted protection under the *Companies' Creditors Arrangements Act* (the "**CCAA Proceedings**"), by Order of the Ontario Superior Court of Justice (the "**Court**") dated January 21, 2009, and was subsequently placed into receivership by Order of the Court dated June 11, 2009;
4. RSM Richter Inc. was appointed the monitor in the CCAA Proceedings (the "**Monitor**") and is the receiver of SKD Company (the "**Receiver**");
5. Pursuant to a loan agreement dated December 13, 2007, as amended (the "**Loan Agreement**"), Comerica Bank ("**Comerica**") had various loans to SKD Company and to SKD Automotive (collectively, the "**Loans**");
6. The Customers agreed to purchase from Comerica for cash, at par, undivided subordinated interests (each a "**Participation**") in the Loans pursuant to an Amended and Restated Subordinated Participation Agreement dated January 21, 2009 (the "**Participation Agreement**"), as amended, among the Customers and Comerica. In fact, the Customers collectively funded Participations totalling USD\$2,352,000 (the "**U.S. Participations**") in respect of SKD Automotive's operations prior to their sale, and the Customers collectively but excluding GM separately funded Participations totalling USD\$11,314,759 (the "**Canadian Participations**") in respect of SKD Company's operations prior to the receivership. All of the Participations purchased by GM are U.S. Participations;
7. The Participants, SKD Automotive, SKD Company, 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. are parties to the Additional Participations and Allocations Agreement dated January 21, 2009, as amended by the Amendment to Additional Participation Agreement dated March 1, 2009 (the "**Additional Participations and Allocation Agreement**"), whereby the parties agreed to, among other things, certain terms in connection with repayment of the Participations. In particular, the Additional Participations and Allocation Agreement provides that, in the event that the proceeds of sale of SKD Automotive's assets exceed the amount required to pay in full the obligations of SKD Automotive to Comerica and on account of the U.S. Participations, such surplus would be used to pay 50% of any shortfall on Canadian Participations funded prior to March 1, 2009, arising from the liquidation of SKD Company's assets;

8. Paragraph 7 of the Participation Agreement contemplates that, in the event the Customers are entitled to receive any payment on account of the Participations under the Participation Agreement after payment in full of the senior obligations of SKD Company and SKD Automotive (collectively, the "**Borrowers**") to Comerica, such payment is to be paid to a disbursing agent for disbursement under a separate agreement among the Customers and the Borrowers;
9. Comerica has been repaid the full amount of the senior obligations of the Borrowers to Comerica (except for payment of accrued and accruing expenses and fees under the Loan Agreement), and Comerica currently holds the sum of approximately USD\$10.5 million as cash collateral representing the proceeds generated from the sale and realization of certain assets of SKD Automotive in the United States and Mexico (the "**U.S. Funds**");
10. The Receiver currently holds, *inter alia*, the sum of approximately CAD\$15.3 million (the "**Canadian Funds**") representing the proceeds of sale generated from the sale and realization of assets of SKD Company in Canada to date, and the Receiver anticipates that it will shortly be seeking the Court's authority to make final distribution to be applied against the Canadian Participations;
11. This Disbursement Agreement addresses repayment on account of the U.S. Participations. A separate disbursement agreement dated April \_\_, 2010, among the parties to this Agreement (but excluding GM) will address payments on account of the Canadian Participations;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereto agree as follows:

Appointment of Disbursing Agent

1. Pursuant to paragraph 7 of the Participation Agreement, the Participants and the Borrowers hereby appoint RSM Richter Inc., and RSM Richter Inc. hereby agrees to act, as disbursing agent pursuant to the terms hereof (the "**Disbursing Agent**") to receive the U.S. Funds and to hold same for the benefit of the Customers and other creditors of SKD Automotive or distribute same in accordance with the terms hereof. The parties acknowledge that the Disbursing Agent is acting solely for the convenience of the parties for the purposes outlined herein and the Disbursing Agent shall not be deemed to be the agent of any of the parties.
2. The parties acknowledge that the Disbursing Agent is a separate party, distinct from RSM Richter Inc., in its capacity as Monitor and Receiver.
3. The parties acknowledge that RSM Richter Inc. is not acting in its personal capacity in performing the responsibilities of the Disbursing Agent.

Distribution of Funds

4. The parties shall execute and deliver to Comerica the direction attached hereto as Schedule "A", authorizing and directing Comerica to transfer the entirety of the U.S. Funds to be held by the Disbursing Agent and paid as provided for in this Agreement.
5. The parties agree that the U.S. Funds shall be distributed or held back by the Disbursing Agent as follows:
  - (a) the parties shall execute and deliver to the Disbursing Agent the direction attached hereto as Schedule "B" to direct the Disbursing Agent, upon receipt of the U.S. Funds from Comerica, to distribute the amount of USD\$2,352,000, plus interest of USD\$●, as provided in the Loan Agreement, to the Customers in full repayment of the U.S. Participations;
  - (b) the Disbursing Agent shall hold back the amount of USD\$1,815,649 (the "**U.S. Holdback Funds**") on account of (i) hostage payments made by the Participants (or any predecessors in interest) and claimed against SKD Automotive or its affiliates SKD L.P. or SKD de Mexico, (ii) any claims against SKD Automotive or its affiliates SKD L.P. or SKD de Mexico, acquired by a Participant from a third party on or before April 1, 2010, (iii) the claim for steel sold by Chrysler under its steel resale / steel offload program and (iv) the steel scrap sharing claims of Ford and Chrysler (collectively the "**Unresolved Claims**", a summary of which is in Schedule "E" hereto), and the Disbursing Agent shall hold the U.S. Holdback Funds until directed to distribute such funds in accordance with paragraph 5(d); provided however, upon execution of this Disbursement Agreement, GM shall pay to Goodmans LLP, in escrow for SKD de Mexico, the amount of USD \$1,281,818 in full satisfaction of any amounts owing by GM to SKD de Mexico and in satisfaction of ordinary course amounts owing by SKD L.P. to GM for product net of steel provided by GM, leaving only GM's claim for \$90,018 as an Unresolved Claim; and provided further that each Customer's entitlement to claim against the U.S. Holdback Funds will be capped at the net amount at the bottom of the column for that Customer in Schedule "E" (acknowledging that GM's cap is USD \$90,018);
  - (c) the parties shall execute and deliver to the Disbursing Agent the direction attached hereto as Schedule "C" to direct the Disbursing Agent, upon receipt of the U.S. Funds from Comerica, to distribute the amount of USD\$[**the balance of the U.S. Funds**] to SKD Automotive, or as SKD Automotive may direct, on account of SKD Automotive's residual entitlement to proceeds generated from the sale and realization of its assets in the United States and Mexico; and
  - (d) each time one of the Unresolved Claims becomes resolved, whether through the negotiations of the parties or pursuant to the dispute resolution mechanism set forth in paragraph 13, the parties shall execute a direction in the form attached hereto as Schedule "D" to direct the Disbursing Agent to distribute the applicable

portion of the U.S. Holdback Funds to the applicable party in a manner consistent with the resolution of the applicable Unresolved Claim.

6. The Disbursing Agent agrees that, promptly after receipt of the U.S. Funds referenced in paragraph 4 and the written direction referenced in paragraph 5(a), it will make distributions referenced in paragraph 5(a) to repay in full the U.S. Participations in accordance with such written direction. Upon payment of the U.S. Participations pursuant to the written direction referenced in paragraph 5, the parties agree that SKD Automotive shall have satisfied all of its obligations on account of the U.S. Participations and SKD Automotive shall be released from all obligations owing to the Participants on account of the U.S. Participations and the Participants shall be released by SKD Automotive for any and all claims SKD Automotive may have relating to the U.S. Participations.
7. The Disbursing Agent agrees that, promptly after receipt of the U.S. Funds referenced in paragraph 4 and the written direction referenced in paragraph 5(c), it will make the distribution referenced in paragraph 5(c) to SKD Automotive or as SKD Automotive may direct, in accordance with such written direction.
8. Subject to sub-paragraphs 9(f) and 9(g), the Disbursing Agent shall retain the U.S. Holdback Funds until the Disbursing Agent receives a written direction in the form attached hereto as Schedule "D" from the parties hereto directing the Disbursing Agent to make a distribution of all or a portion of the U.S. Holdback Funds. Pending receipt of such written directions, and subject to sub-paragraphs 9(f) and 9(g), the Disbursing Agent shall maintain the U.S. Holdback Funds in trust in an interest bearing bank account with Harris Bank.

#### Disbursing Agent's Rights and Duties

9. In relation to the duties and responsibilities of the Disbursing Agent, the parties agree as follows:
  - (a) the Disbursing Agent's duties and responsibilities shall be as specifically set forth herein and there shall be no implied duties or obligations other than as provided for herein and the Disbursing Agent shall have no obligations, responsibilities or liability arising under any other agreements to which the Disbursing Agent is not a party, even though reference to such other agreements may be made in this Disbursing Agreement. The Disbursing Agent shall not be liable for any action taken or omitted to be taken by it in good faith and in the exercise of its own reasonable business judgment, unless such action involved gross negligence or wilful misconduct. Disbursement by the Disbursing Agent of the U.S. Funds in accordance with the provisions of this Disbursement Agreement shall constitute a complete discharge and satisfaction of the obligations of the Disbursing Agent hereunder;
  - (b) the Disbursing Agent shall have no responsibility to inquire into the genuineness or validity of any documents delivered to it and reasonably believed by it to have

been signed by the proper person or persons and shall be entitled to rely thereon and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof;

- (c) the Disbursing Agent shall not be responsible to enforce any obligation of any person, whether under the Participation Agreement or otherwise;
- (d) the Disbursing Agent shall be entitled to rely upon the advice and directions of a court of competent jurisdiction in the State of Michigan (a "**Michigan Court**") in respect of any matter relating to the discharge of its duties provided only such directions are obtained upon notice to the Customers and the Borrowers, such advice may include directions as to the payment of the U.S. Holdback Funds (or any portion thereof);
- (e) in the event that the Customers and the Borrowers, or any of them, become involved in any dispute process involving the Participation Agreement, or any other agreement affecting the U.S. Funds, the Disbursing Agent shall have standing to participate in such proceedings. The Disbursing Agent shall be authorized to rely upon any decision arising from such proceedings, provided such decision shall be final and shall not have been stayed, reversed or varied;
- (f) in the event of any controversy or dispute under this Disbursement Agreement or with respect to any question regarding the construction hereof or any action to be taken or omitted to be taken by the Disbursing Agent, the Disbursing Agent may pay the U.S. Holdback Funds (or such remaining portion thereof, including interest earned thereon) into the Michigan Court to be disbursed pursuant to further order of the Michigan Court and shall notify the Customers and the Borrowers of such payment into the Michigan Court and the Disbursing Agent shall be relieved of and discharged from any and all obligations and liabilities hereunder; and
- (g) the Disbursing Agent may resign at any time upon thirty days' written notice to Customers and the Borrowers or such shorter notice as they may accept in writing as sufficient and shall thereafter pay the U.S. Funds or the U.S. Holdback Funds (or any remaining portion thereof, including interest earned thereon) to such replacement disbursing agent in accordance with a joint direction of the Customers and the Borrowers or into the Michigan Court in accordance with the preceding paragraph if the parties shall not have jointly designated a replacement disbursing agent.

#### Miscellaneous Matters

- 10. All notices shall be given in writing (including facsimile or email) and shall be given to the addresses set forth below:
  - (a) If to SKD Automotive:

1965 Pratt Boulevard  
Elk Grove Village, IL 60007

Attention: Vytas P. Ambutas  
Fax: (847) 806-7244  
Email: vambutas@nmlp.com

With a copy to:

**Skadden, Arps, Slate, Meagher & Flom LLP**  
155 North Wacker Drive  
Chicago, IL 60606-1720

Attention: George Panagakis  
Fax: (312) 407-8586  
Email: george.panagakis@skadden.com

(b) If to SKD Company:

**c/o: RSM Richter Inc., as receiver**  
200 King Street W., Suite 1100  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Robert Kofman  
Fax: (416) 932-6200  
Email: Bkofman@RSMRichter.com

With a copy to:

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

Attention: Joseph Latham  
Fax: (416) 979-1234  
Email: jlatham@goodmans.ca

(c) If to the Disbursing Agent:

**RSM Richter Inc.**  
200 King Street W., Suite 1100  
P.O. Box 48  
Toronto, ON M5H 3T4



Attention: Robert Kofman  
Fax: (416) 932-6200  
Email: Bkofman@RSMRichter.com

With a copy to:

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

Attention: Joseph Latham  
Fax: (416) 979-1234  
Email: jlatham@goodmans.ca

(d) If to Chrysler:

**Chrysler Group LLC**  
800 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, MI 48326

Attention: Sigmund Huber  
Fax: (248) 512-1771  
Email: seh43@chrysler.com

With a copy to:

**Chrysler Group LLC**  
1000 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, MI 48326-2766

Attention: Kim R. Kolb  
Fax: (248) 512-1771  
Email: krk4@chrysler.com

And to:

**Dickinson Wright PLLC**  
500 Woodward Avenue, Suite 4000  
Detroit, MI 48226

Attention: James A. Plemmons  
Fax: (313) 223-3598  
E-mail: jplemmons@dicksonwright.com

With a copy to:

**Borden Ladner Gervais LLP**  
Scotia Plaza, 40 King St. W.  
Toronto, ON M5H 3Y4

Attention: Craig J. Hill  
Fax: (416) 361-7301  
Email: chill@blgcanada.com

(e) If to Ford:

**Ford Motor Company**  
One America Road  
World Headquarters, Suite 416  
Dearborn, MI 48126

Attention: Daniella Saltz  
Fax: (313) 322-3084  
Email: dsaltz@ford.com

With a copy to:

**Miller Canfield Paddock and Stone, PLC**  
Suite 300  
443 Ouellette Avenue  
Windsor, ON N9A 6R4

Attention: John Leslie  
Fax: (519) 977-1565  
Email: leslie@millercanfield.com

(f) If to Honda:

**Honda of America Mfg., Inc.**  
24000 Honda Parkway  
Marysville, OH 43040-9251

Attention: Joseph F. LaFleur  
Fax: (937) 644-6583  
Email: Joe\_LaFleur@ham.honda.com

With a copy to:

**Vorys, Sater, Seymour and Pease LLP**

52 East Gay Street  
Columbus, OH 43216-1008

Attention: Robert A. Bell, Jr.  
Fax: (614) 719-5169  
Email: rabell@vorys.com

And to:

**Blake, Cassels & Graydon LLP**

199 Bay Street, Suite 2800  
Commerce Court West  
Toronto, ON M5L 1A9

Attention: Steven J. Weisz  
Fax: (416) 863-2653  
E-mail: steven.weisz@blakes.com

(g) If to GM:

**General Motors LLC**

30009 Van Dyke Road  
P.O. Box 9025  
Mail Code: 480-206-136  
Warren, MI 48090-9025

Attention: Mark W. Fischer  
Fax: (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, MI 48226

Attention: Aaron Silver  
Fax: (313) 465-7561  
Email: asilver@honigman.com

11. The term of this Disbursement Agreement shall commence on the date hereof and shall continue until the Disbursing Agent has released all amounts in respect of the U.S. Funds, including interest earned thereon, in accordance with this Disbursement Agreement.

12. This Disbursement Agreement reflects the entire agreement between the parties with respect to the matters contained herein and represents the disbursement agreement contemplated by paragraph 7 of the Participation Agreement.
13. SKD Automotive and the Customers will work to settle all of the Unresolved Claims within 90 days after this Disbursement Agreement is executed by all parties. After this 90 day period, unless such period is extended by agreement of the parties, any remaining Unresolved Claims will be submitted to a commercial arbitration panel of the American Arbitration Association located in Oakland County, Michigan, for expedited resolution with all costs (excluding legal costs of each party which shall be borne by such party) to be apportioned by the arbitrator based upon the merits of each party's claim. A notice that a party is exercising its rights under this paragraph 13 and seeking resolution by arbitration will be given to all parties.
14. This Disbursement Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided that the Disbursing Agent shall not be permitted to assign its obligations hereunder except as specifically contemplated herein. It is intended that Comerica be a third party beneficiary of this Disbursement Agreement and the directions given pursuant to this Disbursement Agreement and that Comerica may enforce the terms thereof.
15. If any term shall be found to be unenforceable, illegal or invalid by a court of competent jurisdiction, the remainder of this agreement shall continue in full force and effect and shall not thereby be affected, invalidated or impaired.
16. No waiver of any of the provisions of this Disbursement Agreement shall be binding unless in writing and delivered in accordance with the provisions hereof.
17. The parties agree to deliver to each other such further and other assurances as may be reasonably necessary or desirable to give effect to this Disbursement Agreement.
18. Time shall be of the essence to this Disbursement Agreement.
19. This Disbursement Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to conflicts of laws principles, and the parties attorn to the jurisdiction of the State of Michigan in the event of a dispute hereunder.
20. This Disbursement Agreement may be signed in any number of counterparts each of which shall be an original with the same effect as if the signatures were each upon the same instrument. This Disbursement Agreement shall be effective when each party hereto shall have received by facsimile or electronic transmission a counterpart hereof signed by each of the other parties.

**[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have caused this Disbursement Agreement to be duly executed as of the date first above written.

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**RSM RICHTER INC., as disbursing agent and  
not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the partnership.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SCHEDULE "A"**

**DIRECTION**

<b>TO:</b>	<b>COMERICA BANK ("Comerica")</b>
<b>AND TO:</b>	<b>RSM RICHTER INC., as disbursing agent</b>
<b>SUBJECT:</b>	<b>RELEASE OF CASH COLLATERAL HELD IN RESPECT OF SKD COMPANY AND SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP ("SKD AUTOMOTIVE")</b>

Pursuant to that certain U.S. Disbursement Agreement dated April \_\_, 2010 between the undersigned (the "**U.S. Disbursement Agreement**"), each of the undersigned does hereby irrevocably authorize and direct Comerica to (a) apply USD\$● to the Loans (as defined in the U.S. Disbursement Agreement) and (b) transfer the amount so applied plus the remaining U.S. Funds (which currently constitute cash collateral held by Comerica), as defined in the Disbursement Agreement, to RSM Richter Inc. as disbursing agent (the "**Disbursing Agent**") in accordance with the following wire instructions:

**[Insert wire instructions]**

**US \$ Trust Account**

Each of the Participants (as defined by the U.S. Disbursement Agreement) acknowledges and agrees that, pursuant to paragraph 5 of the Participation Agreement (as defined in the U.S. Disbursement Agreement), in the event that Comerica is required to disgorge any amount it has received on account of the Loans (as defined in the U.S. Disbursement Agreement), the Participants shall immediately reimburse Comerica for the amount that Comerica was required to disgorge, limited to the amount of distributions received by the Participants on account of the Loans.

Furthermore, SKD Automotive Group, Limited Partnership, acknowledges its obligations under the Loan Agreement (as defined in the U.S. Disbursement Agreement) to indemnify, defend and hold harmless Comerica with respect to its receipt of cash for application to the Loans and distribution of that cash to the Disbursing Agent.

**Dated** this \_\_\_\_ day of April, 2010

- 2 -

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.



**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SCHEDULE B**

**DIRECTION**

<b>TO:</b>	<b>RSM RICHTER INC., as disbursing agent (the "Disbursing Agent")</b>
<b>SUBJECT:</b>	<b>FINAL DISTRIBUTION ON ACCOUNT OF U.S. PARTICIPATIONS</b>

A. Pursuant to that certain U.S. Disbursement Agreement dated April \_\_, 2010 between the undersigned (the "U.S. Disbursement Agreement"), and pursuant to an order of the Ontario Superior Court of Justice dated April 29, 2010, each of the undersigned does hereby irrevocably authorize and direct the Disbursing Agent to distribute the sum of USD\$2,352,000, plus interest to April 30, 2010 of USD\$130,709.34, plus any *per diem* interest of US\$310.71 per day to the extent that the payment is made after April 30, 2010, to the following parties in accordance with the following instructions:

1. Pay the sum of USD\$346,226.34, plus interest to April 30, 2010 of USD\$19,241.14, plus any *per diem* interest of US\$45.74 per day to the extent that the payment is made after April 30, 2010, to Ford Motor Company, in accordance with the following wire instructions:

**[insert wire instructions]**

2. Pay the sum of USD\$499,358.51, plus interest to April 30, 2010 of USD\$27,751.84, plus any *per diem* interest of US\$65.97 per day to the extent that the payment is made after April 30, 2010, to 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.), in accordance with the following wire instructions:

**[insert wire instructions]**

3. Pay the sum of USD\$990,571.15, plus interest to April 30, 2010 of USD\$55,049.87, plus any *per diem* interest of US\$68.14 per day to the extent that the payment is made after April 30, 2010, to Chrysler Group LLC (having acquired certain assets from Old Carco LLC, fka Chrysler LLC, and Old Carco Motors LLC, fka Chrysler Motors LLC), in accordance with the following wire instructions:

**[insert wire instructions]**

4. Pay the sum of USD\$515,834.00, plus interest to April 30, 2010 of USD\$28,666.89, plus any *per diem* interest of US\$68.14 per day to the extent that the payment is made after April 30, 2010, to General Motors LLC, in accordance with the following wire instructions:

**[insert wire instructions],**

such payments to repay in full the participations funded by these parties to Comerica Bank on account of the loans advanced to SKD Automotive Group, Limited Partnership.

B. Each of the undersigned agrees that neither it nor any of its affiliates shall have any further claims or demands whatsoever relating to SKD Automotive Group, Limited Partnership, its partners, affiliates or related parties, against:

- (i) any other party hereto;
- (ii) Comerica Bank; or
- (ii) the Disbursing Agent,

other than (a) any arguments or claims parties may have with respect to the Unresolved Claims against the U.S. Holdback Funds (both as defined in the U.S. Disbursement Agreement), (b) any unsecured claims of the Customers against the estate of SKD Company, 2515080 Nova Scotia Company or NMC Canada, Inc., (c) certain outstanding issues between Chrysler and SKD Company and between Honda and SKD Company arising in connection with the Canadian Accommodation Agreement among the Participants and SKD Company (the "**Canadian Accommodation Agreement**") and (d) the Unresolved Commercial Issues in respect of Chrysler set out in the Canadian Accommodation Agreement.

**Dated** this \_\_\_\_ day of \_\_\_\_\_, 2010.

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

SCHEDULE C

DIRECTION

<b>TO:</b>	<b>RSM RICHTER INC., as disbursing agent (the "Disbursing Agent")</b>
<b>SUBJECT:</b>	<b>DISTRIBUTION TO SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP</b>

A. Pursuant to that certain U.S. Disbursement Agreement dated April \_\_, 2010 between the undersigned (the "**Disbursement Agreement**"), and pursuant to an order of the Ontario Superior Court of Justice dated April 29, 2010, each of the undersigned does hereby irrevocably authorize and direct the Disbursing Agent to distribute the sum of USD\$[**the balance of the U.S. Funds**] to SKD Automotive Group, Limited Partnership ("**SKD Automotive**"), or as SKD Automotive may direct, in accordance with the following instructions:

[insert wire instructions],

such payments to pay SKD Automotive on account of its residual entitlement to proceeds generated from the sale and realization of certain its assets in the United States and Mexico.

B. Each of the undersigned Customers agrees that neither it nor any of its affiliates shall have any further claims or demands whatsoever against:

- (i) SKD Automotive or its affiliates;
- (ii) SKD Company or its affiliates;
- (iii) Comerica Bank; or
- (iv) the Disbursing Agent,

in any way relating to the above noted payment to SKD Automotive, provided that nothing herein shall affect or limit: (a) any arguments or claims parties may have with respect to the Unresolved Claims against the U.S. Holdback Funds (both as defined in the U.S. Disbursement Agreement), (b) any unsecured claims of the Customers against the estate of SKD Company, 2515080 Nova Scotia Company or NMC Canada, Inc., (c) certain outstanding issues between Chrysler and SKD Company and between Honda and SKD Company arising in connection with the Canadian Accommodation Agreement among the Participants and SKD Company (the "**Canadian Accommodation Agreement**") and (d) the Unresolved Commercial Issues in respect of Chrysler set out in the Canadian Accommodation Agreement.

**Dated** this \_\_\_\_ day of \_\_\_\_\_, 2010.

- 2 -

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_  
Name: Vytas Ambutas  
Title: Secretary  
I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**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**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_  
Name:  
Title:  
I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per:

\_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**SCHEDULE D**

**DIRECTION**

<b>TO:</b>	<b>RSM RICHTER INC., as disbursing agent (the "Disbursing Agent")</b>
<b>SUBJECT:</b>	<b>FINAL DISTRIBUTION IN RESPECT OF [APPLICABLE UNRESOLVED CLAIM]</b>

A. Pursuant to that certain U.S. Disbursement Agreement dated April \_\_, 2010 between the undersigned (the "**Disbursement Agreement**"), and pursuant to an order of the Ontario Superior Court of Justice dated April 29, 2010, each of the undersigned does hereby irrevocably authorize and direct the Disbursing Agent to distribute the sum of USD\$● to ● in accordance with the following instructions:

**[insert wire instructions],**

such payments to pay ● in full on account of **[applicable unresolved claim]**.

B. Each of the undersigned agrees that neither it nor any of its affiliates shall have any further claims or demands whatsoever against:

- (i) any other party hereto; or
- (ii) the Disbursing Agent,

in any way relating to the above noted payment being made to ● from the U.S. Holdback Funds (as defined in the Disbursement Agreement) that are being distributed pursuant to the Disbursement Agreement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2010.

**SKD COMPANY, 2515080 Nova Scotia  
Company and NMC Canada Inc.,  
by RSM Richter Inc., as receiver**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.



- 2 -

**SKD AUTOMOTIVE GROUP, LIMITED  
PARTNERSHIP by PL International  
Corporation, its General Partner**

Per: \_\_\_\_\_

Name: Vytas Ambutas

Title: Secretary

I have the authority to bind the company.

**FORD MOTOR COMPANY**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**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**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**CHRYSLER GROUP LLC**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**GENERAL MOTORS LLC**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the company.

**For Discussion Purposes Only**  
**DRAFT: 1 - April 21, 2010 at 10:46 AM**

**SCHEDULE E**

**CHART OF UNRESOLVED CLAIMS**

**[To be attached]**

5

**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**

**AFFIDAVIT OF ROBERT KOFMAN**

I, Robert Kofman, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Co-President of RSM Richter Inc., which is the receiver (the "**Receiver**") of the property, assets and undertakings of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the "**Debtors**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. RSM Richter Inc. was appointed as Receiver of all of the property, assets and undertakings of the Debtors pursuant to an Order of the Ontario Superior Court of Justice dated June 11, 2009 (the "**Receivership Order**").
3. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its legal counsel, Goodmans LLP ("**Goodmans**"), are required to pass their accounts from time to time.
4. Attached hereto as Exhibit "A" is a summary of the fees charged and accounts rendered by the Receiver in respect of these proceedings (the "**Accounts Summary**") for the period from June 11, 2009 to and including March 31, 2010 (the "**Receiver Account Period**"). Copies of the invoices rendered by the Receiver and referenced in the Accounts Summary are attached hereto as Exhibit "B".

5. The Receiver has filed its First Report and Second Report with this Honourable Court, which outline, among other things, the Receiver's actions and activities since the date of its appointment.

6. A total of 1,738.05 hours were expended by the Receiver in connection with this matter during the Receiver Account Period, giving rise to fees and disbursements totaling \$678,960.78 (including GST) allocated as outlined in the Accounts Summary.

7. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.

8. The hourly billing rates outlined on the invoices rendered by the Receiver are the normal hourly rates charged by the Receiver for services rendered in relation to similar proceedings.

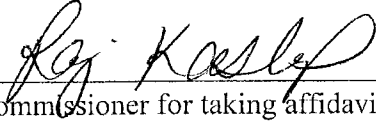
9. I verily believe that the Receiver's accounts are fair and reasonable in the circumstances.

10. Attached as Exhibit "A" to the Affidavit of L. Joseph Latham sworn April 19, 2010, and filed in support of the within motion are copies of the accounts rendered by Goodmans, counsel to the Receiver, for the period from June 11, 2009 to and including April 12, 2010.

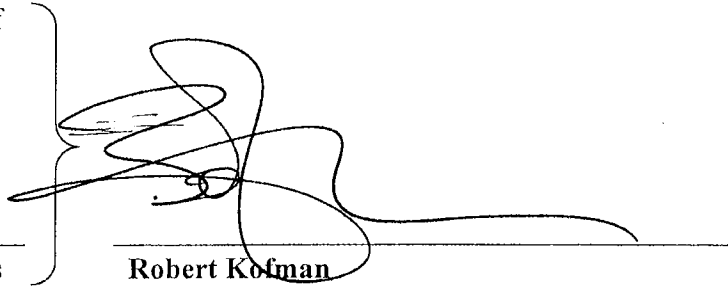
11. Goodmans has rendered services throughout these proceedings consistent with instructions from the Receiver, the Receiver has approved all such accounts and I verily believe that the fees and disbursements of Goodmans are fair and reasonable in the circumstances.

12. This Affidavit is sworn in connection with the Receiver's motion to have, among other things, its fees and disbursements approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario,  
on April 21<sup>st</sup>, 2010.



A Commissioner for taking affidavits

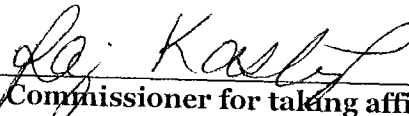


**Robert Kofman**

**Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for RSM Richter Inc.,  
Trustee in Bankruptcy and RSM Richter LLP,  
Chartered Accountants.  
Expires December 6, 2011.**

**This is Exhibit "A" referred to in the Affidavit of Robert Kofman**

**Sworn before, this 21<sup>st</sup> day of April, 2010**

  
A Commissioner for taking affidavits

**Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for RSM Richter Inc.,  
Trustee in Bankruptcy and RSM Richter LLP,  
Chartered Accountants.  
Expires December 6, 2011.**

SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Summary of Accounts for the Period from June 11, 2009 to March 31, 2010**  
Exhibit to the Affidavit of Robert Kofman dated April 20, 2010


Exhibit "A"

Period	Fees	Disbursements	GST	Total
June 11 to June 21, 2009	70,102.50	24.00	3,506.33	73,632.83
June 22 to July 3, 2009	51,382.50	3,638.44	2,751.05	57,771.99
July 4 to July 31, 2009	81,808.75	1,014.70	4,141.17	86,964.62
August 1 to August 31, 2009	71,308.75	1,558.55	3,643.37	76,510.67
September 1 to September 30, 2009	57,202.50	801.20	2,900.19	60,903.89
October 1 to October 31, 2009	74,852.50	433.15	3,764.28	79,049.93
November 1 to November 30, 2009	55,768.75	3,698.49	2,973.36	62,440.60
December 1 to December 31, 2009	39,750.00	413.04	2,008.15	42,171.19
January 1 to January 31, 2010	44,082.50	694.13	2,238.83	47,015.46
February 1 to February 28, 2010	42,812.50	431.45	2,162.20	45,406.15
March 1 to March 31, 2010	44,611.25	239.65	2,242.55	47,093.45
	<u>633,682.50</u>	<u>12,946.80</u>	<u>32,331.48</u>	<u>678,960.78</u>



**This is Exhibit "B" referred to in the Affidavit of Robert Kofman**

**Sworn before, this 21<sup>st</sup> day of April, 2010**

  
\_\_\_\_\_  
**A Commissioner for taking affidavits**

**Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for RSM Richter Inc.,  
Trustee in Bankruptcy and RSM Richter LLP,  
Chartered Accountants.  
Expires December 6, 2011.**

# RSM Richter

June 30, 2009

RSM Richter Inc.

200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

GST#: 893773846RT  
Invoice #: 6623  
Client ID: 09-0603

---

## INVOICE

Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for the period June 11, 2009 to June 21, 2009:

- Attending at Court on June 11, 2009;
- Attending at the Company on a daily basis;
- Opening receivership estate bank accounts;
- Finalizing and delivering letters to Comerica Bank and TD Bank regarding the transfer of funds to the receivership estate bank accounts;
- Drafting the Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act;
- Working with the Company to reconcile unpaid obligations;
- Responding to queries from stakeholders, including the Company's trade suppliers and employees;
- Reviewing and finalizing "task and term" letters prepared by Goodmans LLP ("Goodmans"), the Receiver's counsel;
- Reviewing and finalizing "independent contractor" agreements prepared by Goodmans for the engagement of certain US residents by the Receiver;
- Attending at the Company's Milton and Brampton premises (the "Premises") on June 11, 2009 and June 12, 2009, respectively, to take

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

COPY

copies of the electronic books and records stored on the Company's servers;

- Attending at the Premises with a locksmith on June 11, 2009 and June 12, 2009 to change the exterior locks on the buildings;
- Attending at the Premises with a representative of the alarm monitoring company to arrange for the arming of the alarm systems;
- Videotaping the Premises on June 11, 2009 and June 12, 2009;
- Taking an inventory of all assets located at the Premises;
- Drafting access and related letters and obtaining executed copies of the letters from relevant individuals;
- Disbursing funds from the receivership bank accounts to pay CCAA obligations;
- Following up with the Company's insurance broker regarding the renewal of the Company's insurance coverage beyond June 11, 2009;
- Corresponding with AON Parizeau Inc. ("AON"), the Receiver's insurer, to arrange insurance coverage for the Company's assets in the event that an extension was not provided by the Company's insurer and to arrange for a review by AON of the Company's existing insurance policies to determine if adequate insurance coverage is in place;
- Reviewing the Company's 2008 corporate tax returns prepared by PricewaterhouseCoopers LLP ("PwC");
- Attending a call with PwC on June 19, 2009 regarding the Company's 2008 tax returns;
- Following up regarding joint direction letters for the payment of retention amounts from the retention escrow account;
- Following up regarding joint direction letters for the payment of termination and severance amounts from the union escrow account held by the Receiver in its capacity as escrow agent;
- Disbursing funds from the retention escrow account and the union escrow accounts in accordance with joint directions, pursuant to the respective escrow agreements;
- Following up with the Company regarding certain pre-receivership payroll matters;
- Attending at the Premises with Maynards Industries Ltd. ("Maynards") on June 19, 2009 to perform an inspection of the assets sold to Maynards;

COPY

- Corresponding with Maynards regarding pre-auction asset sales and the collection of funds related thereto;
- Executing receivers certificates in respect of the assets sold pursuant to the pre-auction asset sales;
- Corresponding with Colliers regarding listing agreements for the sale of the Premises;
- Corresponding with Goodmans regarding the listing agreements provided by Colliers;
- Reviewing and exchanging periodic emails and attending periodic calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$ 70,102.50
Out-of-pocket disbursements	24.00
	<hr/> 70,126.50
GST	3,506.33
Total Due	<hr/> <u>\$ 73,632.83</u>

COPY

RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending June 21, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	595	17.00	10,115.00
Francois Bissonnette (tax)	450	3.50	1,575.00
Lana Bezner	425	42.25	17,956.25
Javed Rasool	375	6.00	2,250.00
John Tertigas	350	9.50	3,325.00
Faisal Hadibhai	325	74.50	24,212.50
Kazim Mehdi	325	16.50	5,362.50
Mark Bonner (IT)	275	9.00	2,475.00
Other Staff and Administration (including banking)			2,831.25
			<u>70,102.50</u>
Out of Pocket Disbursements (courier)			24.00
			<u><u>70,126.50</u></u>

# RSM Richter

July 10, 2009

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #:6638**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for the period from June 22, 2009 to July 3, 2009:

- Attending at the Company on a daily basis;
- Finalizing and mailing the Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act;
- Finalizing and mailing letters to former employees relating to the Wage Earners Protection Program ("WEPP") and benefit entitlements;
- Finalizing and delivering a letter to Green Shield Canada terminating the Company's benefit program with respect to former employees;
- Finalizing and mailing letters to former employees of the Company's Amherstburg plant terminating monthly pension payments paid by the Company;
- Finalizing and delivering a termination letter to a former employee retained by the Receiver pursuant to a "term and task" agreement;
- Redirecting the mail from the Company's Brampton premises to the Receiver;
- Working with the Company to reconcile unpaid obligations;
- Corresponding with the Company regarding its pension plans and confirming that all required pension contributions were remitted;

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

COPY

- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Drafting and finalizing extension letters to the "independent contractor" agreements entered into between the Receiver and certain US residents retained by the Receiver;
- Restoring electronic books and records gathered at the Company's Premises;
- Disbursing funds from post-receivership bank accounts in satisfaction of obligations incurred by the Company during the CCAA period and by the Receiver during the receivership period;
- Following up with the Company's insurance broker regarding the renewal of the Company's insurance coverage beyond June 30, 2009;
- Corresponding with AON Parizeau Inc. ("AON"), the Receiver's insurer, to arrange for a review by AON of the Company's existing insurance policies to determine if adequate insurance coverage is in place.
- Following up regarding joint direction letters for the payment of retention amounts from the retention escrow account;
- Following up regarding funds returned in error by ADP US in respect of retention amounts funded from the escrow account;
- Reviewing the June 30, 2009 post-receivership payroll for certain Canadian employees retained by the Receiver;
- Working with the Company to obtain data required by the Receiver to prepare the information required to be filed with Service Canada pursuant to WEPP legislation;
- Disbursing funds from the retention escrow account in accordance with the joint directions, pursuant to the escrow agreement;
- Corresponding with Maynards regarding liquidation of assets and access to the Premises;
- Corresponding with Colliers regarding the listing agreements;

COPY

- Reviewing and exchanging periodic emails and attending periodic calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	51,382.50
Out-of-pocket disbursements		<u>3,638.44</u>
		55,020.94
GST		<u>2,751.05</u>
Total Due	\$	<u>57,771.99</u>

COPY



RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending July 3, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	595	12.00	7,140.00
Lana Bezner	425	16.00	6,800.00
Javed Rasool	375	4.50	1,687.50
John Tertigas	350	1.00	350.00
Faisal Hadibhai	325	84.00	27,300.00
Amanda Bezner	250	4.75	1,187.50
Sonny Luong (IT)	150	18.00	2,700.00
Jeff Seguire (IT)	100	2.00	200.00
Other Staff and Administration (including mailroom and banking)			4,017.50
			<u>51,382.50</u>
Out of Pocket Disbursements (including postage, courier, mileage and IT hardware)			3,638.44
			<u><u>55,020.94</u></u>

COPY

# RSM Richter

August 10, 2009

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #:6671**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for the period July 4, 2009 to July 31, 2009:

- Attending at the Company on a regular basis;
- Finalizing and mailing the Notice of Wage Earner Protection Program Act ("WEPPA") pursuant to paragraph 21(d) of that Act;
- Finalizing calculation of employee WEPPA claims and submitting information on-line for each qualifying individual to Human Resources and Social Development Canada ("HRSDC") / Service Canada;
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Drafting and finalizing extension letters to the "independent contractor" agreements entered into between the Receiver and certain US residents retained by the Receiver;
- Corresponding with suppliers regarding the return of leased and rented assets;
- Drafting a release required to be provided to the Receiver upon return of any rented or leased assets;
- Discussing with ADP Canada and an independent contractor the closing of the Company's various payroll accounts and issuing T4s for all terminated employees;

- Preparing and delivering letters to guarantee payment by the Receiver to ADP;
- Following up regarding joint direction letters dated June 10, 2009 for the payment of retention amounts from the retention escrow account;
- Dealing with ADP regarding funds returned in error in respect of retention amounts funded from the escrow account;
- Disbursing funds from post-receivership bank accounts to pay obligations incurred by the Receiver during the receivership period;
- Following up with the Company's insurance broker regarding the renewal of the Company's insurance coverage beyond July 31, 2009;
- Following up with the Company's insurance broker regarding questions from the review by AON Parizeau Inc. ("AON"), the Receiver's insurer, to determine if adequate insurance coverage is in place;
- Reviewing the July 15, 2009 and July 31, 2009 post-receivership payroll;
- Corresponding with the Financial Services Commission of Ontario ("FSCO") regarding the Company's pensions plans;
- Corresponding with PriceWaterhouseCoopers LLP ("PWC") regarding its appointment by FSCO as the administrator of the Company's pension plans;
- Follow up with Green Shield Canada to update the termination dates for employees belonging to the National Automobile, Aerospace, Transportation and General Workers of Canada (C.A.W.) union, as there were errors with the termination dates provided by the Company;
- Closing certain pre-receivership bank accounts;
- Following up with the Company regarding a reconciliation of the Comerica loan;
- Corresponding with Maynards regarding pre-auction asset sales ("pre-sales");
- Drafting Receiver's Certificates for "pre-sales" to be filed with the Court;
- Corresponding with Colliers regarding the marketing of the Company's real estate at 375 Wheelabrator Way, Milton and 40 Holtby Avenue, Brampton;

COPY

- Reviewing and exchanging periodic emails and attending periodic calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Reviewing and exchanging emails and attending calls with Goodmans LLP, the Receiver's legal counsel;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	81,808.75
Out-of-pocket disbursements		1,014.70
		<hr/>
		82,823.45
GST		4,141.17
Total Due	\$	<hr/> <hr/>
		86,964.62

COPY

RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending July 31, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	595	15.75	9,371.25
Lana Bezner	425	2.50	1,062.50
Javed Rasool	375	13.00	4,875.00
John Tertigas	350	42.00	14,700.00
Faisal Hadibhai	325	135.50	44,037.50
Other Staff and Administration (including mailroom and banking)			7,762.50
			<u>81,808.75</u>
Out of Pocket Disbursements (including postage, courier, and phone)			1,014.70
			<u><u>82,823.45</u></u>

COPY

# RSM Richter

September 8, 2009

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6691**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for the period from August 1, 2009 to August 31, 2009:

- Attending at the Company periodically;
- Corresponding with former employees and Human Resources and Social Development Canada ("HRSDC") / Service Canada regarding individual claims pursuant to Wage Earner Protection Program Act ("WEPPA");
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Drafting and finalizing extension letters to the "independent contractor" agreements;
- Dealing with ADP Canada and an independent contractor regarding outstanding issues in respect of closing the Company's various payroll accounts;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;
- Following up with the Company's insurance broker regarding renewal of the Company's insurance coverage beyond August 31, 2009;
- Reviewing the August 15, 2009 and August 31, 2009 payroll;

- Corresponding with PriceWaterhouseCoopers LLP ("PWC") regarding information required to administer the Company's pension plans;
- Drafting a letter to PWC regarding the release of personnel files it requires;
- Following up with the Company regarding a reconciliation of the Comerica loan, including tracing payments made by the Company to the loan;
- Drafting a memorandum updating the analysis of indebtedness owing to Comerica Bank and funding provided to the Company by its customers ("Revised Draft Debt Allocation");
- Discussing the Revised Draft Debt Allocation with Conway MacKenzie Inc. ("CMD"), BBK and Grant Thornton LLP;
- Corresponding with Maynards regarding pre-auction asset sales ("pre-sales");
- Drafting Receiver's Certificates for pre-sales to be filed with the Court;
- Corresponding with Colliers regarding the marketing of the Company's real estate at 375 Wheelabrator Way, Milton and 40 Holtby Avenue, Brampton;
- Reviewing proposals for Phase 1 environmental reviews, roof assessments and area/space assessments of the Company's real estate;
- Reviewing an offer for the real estate at 375 Wheelabrator Way, Milton, including discussions with Goodmans and Colliers;
- Discussing with Maynards the sale of cranes at 375 Wheelabrator Way, Milton;
- Reconciling estate bank accounts;
- Reviewing the Company's bank statements for and reconciliations of pre-receivership bank accounts restricted to processing of certain pre-receivership obligations and deposits only;
- Reviewing the Company's intercompany receivable reconciliation and discussing intercompany accounting with the Company's employees;
- Relocating the Company's computer system used to administer the Company's salary payroll from Michigan to the Company's premises in Milton;
- Reviewing and exchanging emails and attending calls with former employees of the Company and CMD., the Company's former financial advisor;

COPY

- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	71,308.75
Out-of-pocket disbursements		<u>1,558.55</u>
		72,867.30
GST		<u>3,643.37</u>
Total Due	\$	<u>76,510.67</u>

COPY



RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending August 31, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	595	20.25	12,048.75
Lana Bezner	425	19.00	8,075.00
John Tertigas	350	23.50	8,225.00
Faisal Hadibhai	325	107.75	35,018.75
Kazim Mehdi	325	17.50	5,687.50
Other Staff and Administration (including mailroom and banking)			2,253.75
			<u>71,308.75</u>
Out of Pocket Disbursements (including postage, courier, and phone)			1,558.55
			<u><u>72,867.30</u></u>

# RSM Richter

October 6, 2009

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

Invoice #: 6733  
Client ID: 09-0603  
RK:rk

---

## INVOICE

Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for September 2009, including:

- Attending at the Company periodically;
- Drafting the Receiver's first report to Court requesting approval, *inter alia*, to:
  - Initiate a claims process for claims against the Company's Directors and Officers falling under paragraphs 7(a), 9(a), 9(b) and 9(c) of the Initial Order,
  - Direct the Receiver to make a distribution to Comerica Bank ("Comerica"), to repay a portion of the participations funded by the Company's customers on a subordinated secured basis under the Comerica facilities, and
  - Approve the Receiver's actions and activities to date;
- Preparing a liquidation analysis as at September 3, 2009;
- Corresponding with former employees and Human Resources and Social Development Canada ("HRSDC") / Service Canada regarding individual claims pursuant to Wage Earner Protection Program Act ("WEPPA");
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Drafting and finalizing extension letters to an "independent contractor" agreement;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;

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

COPY

- Following up with the Company's insurance broker regarding renewal of the Company's insurance policy beyond September 30, 2009;
- Reviewing the September 15, 2009 and September 30, 2009 payroll;
- Corresponding with PriceWaterhouseCoopers LLP ("PWC") regarding information required to administer the Company's pension plans;
- Delivering a letter to PWC regarding the release of personnel files it requires;
- Discussing with BBK and Grant Thornton LLP a memorandum updating the analysis of indebtedness owing to Comerica and funding provided to the Company by its customers ("Revised Draft Debt Allocation");
- Corresponding with Maynards regarding pre-auction asset sales;
- Corresponding with Colliers regarding the marketing of the Company's real estate at 375 Wheelabrator Way, Milton and 40 Holtby Avenue, Brampton;
- Discussing with realtors the interest in the Company's real estate at 375 Wheelabrator Way, Milton;
- Following up regarding Phase 1 environmental reviews, roof assessments and area/space assessments of the Company's real estate;
- Reviewing an offer for the real estate at 375 Wheelabrator Way, Milton, including discussions with Goodmans and Colliers;
- Reconciling estate bank accounts;
- Initiating the transfer of funds from the Company's TD Bank account to a general estate account maintained by the receiver;
- Reviewing and exchanging emails and attending calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$ 57,202.50
Out-of-pocket disbursements	801.20
	<hr/>
	58,003.70
GST	2,900.19
Total Due	<hr/> <u>\$ 60,903.89</u>

COPY

RSM Richter Inc.  
SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
For the Period Ending September 30, 2009

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Bobby Kofman	595	32.00	19,040.00
Lana Bezner	425	9.75	4,143.75
John Tertigas	350	10.00	3,500.00
Faisal Hadibhai	325	81.00	26,325.00
Jeff Seguire (IT)	100	18.00	1,800.00
Other Staff and Administration (including mailroom and banking)			2,393.75
			<u>57,202.50</u>
Out of Pocket Disbursements (including postage, courier, and phone)			801.20
			<u><u>58,003.70</u></u>

# RSM Richter

November 5, 2009

RSM Richter Inc.

200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

Invoice #: 6769  
Client ID: 09-0603  
RK:rk

---

## INVOICE

Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for October 2009, including:

- Attending at the Company periodically;
- Monitoring the auctions of the Company's assets on October 14, 2009 and October 15, 2009, held at the Company's premises at 375 Wheelabrator Way, Milton and 40 Holtby Avenue, Brampton, respectively;
- Drafting the Receiver's first report to Court requesting approval, *inter alia*, to:
  - Initiate a claims process for claims against the Company's Directors and Officers falling under paragraphs 7(a), 9(a), 9(b) and 9(c) of the Initial Order,
  - Direct the Receiver to make a distribution to Comerica Bank ("Comerica"), to repay a portion of the participations funded by the Company's customers on a subordinated secured basis under the Comerica facilities, and
  - Approve the Receiver's actions and activities to date;
- Corresponding with former employees and Human Resources and Social Development Canada ("HRSDC")/Service Canada regarding individual claims pursuant to Wage Earner Protection Program Act ("WEPPA");
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;

- Corresponding with Bell Canada regarding internet services at 40 Holtby Avenue, Brampton;
- Drafting and finalizing extension letters to an "independent contractor" agreement;
- Preparing and delivering a letter to Milton Hydro Distribution Inc. guaranteeing payment for hydro services provided at 375 Wheelabrator Way, Milton;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;
- Corresponding with Canada Revenue Agency regarding the Company's outstanding tax refunds;
- Following up with the Company's insurance broker regarding renewal of the Company's insurance policy beyond October 31, 2009;
- Reviewing the October 15, 2009 and October 31, 2009 payroll;
- Corresponding with Maynards regarding pre-auction asset sales;
- Filing Receiver's Certificates with the Court in respect of assets sold to Maynards pursuant to the Asset Purchase and Liquidation Services Agreement;
- Meeting with Colliers regarding the marketing of the Company's real estate at 375 Wheelabrator Way, Milton and 40 Holtby Avenue, Brampton;
- Discussing with realtors the interest in the Company's real estate at 375 Wheelabrator Way, Milton;
- Attending on October 7, 2009 at 375 Wheelabrator Way, Milton to meet with a prospective purchaser and his real estate agent;
- Meeting at our office on October 8, 2009 with a prospective purchaser's real estate agent;
- Attending on October 13, 2009 at 375 Wheelabrator Way, Milton to meet with Colliers, Maynards, and a prospective purchaser to discuss building chattels;
- Discussing with Golder Associates Ltd. Phase 2 environmental audits of the Company's real estate;
- Reviewing an offer for the real estate at 375 Wheelabrator Way, Milton, including discussions with Goodmans and Colliers;
- Reconciling estate bank accounts;

COPY

- Reviewing and exchanging emails and attending calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	74,852.50
Out-of-pocket disbursements		<u>433.15</u>
		75,285.65
GST		<u>3,764.28</u>
Total Due	\$	<u>79,049.93</u>

COPY

RSM Richter Inc.  
SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
For the Period Ending October, 2009

<u>Personnel</u>	<u>Rate (\$)</u>	<u>Hours</u>	<u>Amount (\$)</u>
Bobby Kofman	625	42.75	26,718.75
Lana Bezner	450	25.25	11,362.50
John Tertigas	350	28.00	9,800.00
Faisal Hadibhai	350	68.50	23,975.00
Other Staff and Administration (including banking)			2,996.25
			<u>74,852.50</u>
Out of Pocket Disbursements (including courier, and phone)			433.15
			<u><u>75,285.65</u></u>



# RSM Richter

December 9, 2009

RSM Richter Inc.

200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6799**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for November 2009, including:

- Attending at the Company periodically;
- Monitoring the removal of assets following the auctions held at the Company's Milton and Brampton premises on October 14 and October 15, 2009, respectively;
- Corresponding with Maynards Industries Ltd. ("Maynards") regarding assets sold on a commission basis by Maynards pursuant to the Asset Purchase and Liquidation Services Agreement at the auction held at the Company's Milton premises;
- Attending at Court on November 4, 2009;
- Mailing proof-of-claim packages to all of the Company's known creditors and former employees in respect of the Directors' and Officers' claims process ("D&O Claims Process");
- Responding to numerous creditor and employee calls regarding the D&O Claims Process;
- Placing an advertisement in the national edition of *The Globe & Mail* newspaper and in *Automotive News* magazine regarding the D&O Claims Process;
- Drafting a supplemental report to Court addressing, *inter alia*, certain issues raised by Comerica Bank prior to the November 4, 2009 motion;

- Corresponding with Goodmans LLP ("Goodmans"), the Receiver's counsel, regarding a noise complaint motion related to the Company's Brampton premises;
- Corresponding with former employees and Human Resources and Social Development Canada ("HRSDC")/Service Canada regarding individual claims pursuant to Wage Earner Protection Program Act ("WEPPA");
- Amending and finalizing extension letters to an "independent contractor" agreement;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;
- Corresponding with Canada Revenue Agency and Ontario Ministry of Finance regarding the Company's outstanding tax refunds;
- Following up with the Company's insurance broker regarding renewal of the Company's insurance policy beyond November 30, 2009;
- Reviewing the November 15, 2009 and November 30, 2009 payroll;
- Corresponding with Colliers International on a periodic basis regarding the marketing of the Company's real estate;
- Reviewing an offer received for the Brampton premises on November 3, 2009;
- Reviewing roof condition assessment reports prepared by Premier/Levaque Inc. ("Premier") and corresponding with Premier with respect to same;
- Corresponding with Goodmans regarding outstanding information required by the City of Milton to complete final inspections of the Company's Milton premises;
- Corresponding with a Company representative regarding the information required for the inspections;
- Engaging Golder Associates Ltd. ("Golder") to prepare Phase 2 environmental audits of the Company's real estate and corresponding with Golder on a periodic basis with respect to same;
- Attending a conference call with Goodmans, Lang Michener, John Chen, the Company's former President and Vytas Ambutas, the Company's former in-house legal counsel, on November 5, 2009 regarding the appointment of a disbursing agent pursuant to the terms of the Subordinated Participations Agreement;
- Reviewing a draft disbursing agreement;
- Corresponding with Mr. Chen regarding the distribution of funds from the SKD L.P. Comerica Bank account;

COPY

- Attending a conference call with the Customers on November 10, 2009;
- Attending a conference call with the Customers, Lang Michener LLP, Mr. Chen and Mr. Ambutas on November 16, 2009;
- Preparing a draft memorandum to the Customers, detailing the terms pursuant to which Mr. Chen may agree to the appointment of a disbursing agent and the distribution of funds from the SKD L.P. Comerica Bank account;
- Reviewing the inter-company promissory notes, among SKD Automotive Group L.P., SKD L.P., SKD de Mexico (SKD L.P. and SKD de Mexico are jointly referred to as "SKD US") and the Company;
- Reviewing financial information for SKD US in an effort to determine if SKD US has any assets in addition to the cash collateral in the SKD US Comerica Bank account, and corresponding with Company representatives with respect to same;
- Reconciling the estate bank accounts;
- Reviewing and exchanging emails and attending calls with former employees of the Company and Conway MacKenzie Inc., the Company's former financial advisor;
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$ 55,768.75
Out-of-pocket disbursements	3,698.49
	<hr/> 59,467.24
GST	2,973.36
Total Due	<hr/> <u>\$ 62,440.60</u>

COPY

RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending November 30, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	625	43.75	27,343.75
Lana Bezner	450	26.00	11,700.00
John Tertigas	350	1.50	525.00
Faisal Hadibhai	350	40.25	14,087.50
Other Staff and Administration (including banking)			2,112.50
			<u>55,768.75</u>
Out of Pocket Disbursements (including courier, and phone)			3,698.49
			<u><u>59,467.24</u></u>

# RSM Richter

January 6, 2010

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6820**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for December 2009, including:

- Attending at the Company periodically;
- Monitoring the removal of assets following the auctions of the Company's assets on October 14, 2009 and October 15, 2009;
- Corresponding with Maynards Industries Ltd. ("Maynards") and Company representatives regarding the condition of the Company's premises located at 375 Wheelabrator Way, Milton ("Milton Premise") and 40 Holtby Avenue, Brampton ("Brampton Premise") (the Milton Premise and the Brampton Premise are jointly referred to as the "Premises") and the estimated timeline for removal of the remaining assets from the Premises;
- Attending at the Premises with Maynards on December 17, 2009 to conduct final inspections of the Premises, as set out in the Asset Purchase and Liquidations Services Agreement;
- Responding to numerous creditor and employee calls regarding the Directors' and Officers' claims process ("D&O Claims Process");
- Logging and performing a preliminary review of the claims received in the D&O Claims Process;
- Corresponding with the Customers and John Chen regarding the appointment of a disbursing agent, the allocation of proceeds in SKD L.P. and the Customers' claims against SKD L.P., which are to be resolved prior to the distribution of funds from the estate to the Company's secured creditors;

- Attending a call on December 3, 2009 with the Customers and Goodmans LLP ("Goodmans"), the Receiver's counsel;
- Drafting the Interim Report of the Receiver pursuant to subsection 246(2) of the Bankruptcy and Insolvency Act;
- Corresponding with former employees and Human Resources and Social Development Canada Service Canada regarding individual claims pursuant to Wage Earner Protection Program Act;
- Corresponding with Sunrise Equipment ("Sunrise") regarding ownership matters related to a truck and trailer sold to Sunrise and delivering a letter to Sunrise on December 8, 2009 with respect to same;
- Corresponding with Premier/Levaque Inc. and a Company representative regarding the status of the roofs at the Premises and the work required, if any, to maintain the roofs throughout the winter months;
- Amending and finalizing extension letters to an "independent contractor" agreement;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;
- Corresponding with Canada Revenue Agency and Ontario Ministry of Finance regarding the Company's outstanding tax refunds;
- Following up with the Company's insurance broker regarding renewal of the Company's insurance policy beyond December 31, 2009;
- Reviewing the December 15, 2009 and December 31, 2009 payroll;
- Discussing with Golder Associates Ltd. phase II environmental audits of the Company's real estate;
- Reviewing draft copies of the phase II environmental audits;
- Drafting a letter dated December 16, 2009 to Hilborn & Konduros ("Konduros") in response to correspondence received from Konduros regarding vacation pay amounts claimed by Konduros' client;
- Corresponding with Company representatives regarding the vacation pay amounts claimed by Konduros' client;
- Corresponding with Colliers MacCaulay Nicolls (Ontario) Inc., the real estate broker engaged by the Receiver to market the Company's properties for sale;
- Reconciling estate bank accounts;

COPY

- Reviewing and exchanging emails and attending calls with Goodmans;
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	39,750.00
Out-of-pocket disbursements		413.04
		<hr/>
		40,163.04
GST		2,008.15
		<hr/>
Total Due	\$	<u>42,171.19</u>

COPY

RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending December 31, 2009

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	625	15.00	9,375.00
Lana Bezner	450	16.75	7,537.50
John Tertigas	350	11.00	3,850.00
Faisal Hadibhai	350	48.00	16,800.00
Other Staff and Administration (including banking)			2,187.50
			<u>39,750.00</u>
Out of Pocket Disbursements (including courier, and phone)			413.04
			<u><u>40,163.04</u></u>



# RSM Richter

February 3, 2010

**RSM Richter Inc.**

200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6851**  
Client ID: 09-0603  
RK:cb

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, for January 2010, including:

- Attending at the Company periodically;
- Responding to creditor and employee calls regarding the Directors' and Officers' claims process ("D&O Claims Process");
- Reviewing the claims filed in the D&O Claims Process;
- Preparing detailed summaries of the claims filed in the D&O Claims Process and providing copies to Goodmans LLP ("Goodmans"), the Receiver's counsel, on January 11, 2010;
- Attending calls with Goodmans regarding the D&O Claims Process, including on January 12, 19, 20 and 28, 2010;
- Preparing a memorandum summarizing the claims received in connection with the D&O Claims Process and delivering same to Lang Michener LLP on January 21, 2010;
- Finalizing the affidavit of mailing related to the D&O Claims Process;
- Reviewing and finalizing the Interim Report of the Receiver prepared pursuant to subsection 246(2) of the *Bankruptcy and Insolvency Act*;
- Corresponding with former employees and Human Resources and Social Development Canada Service Canada regarding individual claims filed pursuant to Wage Earner Protection Program Act;

- Following-up regarding ownership matters related to a truck and trailer sold to Sunrise Equipment;
- Corresponding with Premier/Levaque Inc. ("Premier") and a Company representative regarding the status of the roofs at 375 Wheelabrator Way, Milton (the "Milton Premise") and 40 Holtby Avenue, Brampton (the "Brampton Premise") (collectively the "Company's Premises") and the work required to maintain the roofs throughout the winter months;
- Reviewing a report prepared by Premier dated January 8, 2010 summarizing its recommendations regarding the roofs at the Premises;
- Reviewing various quotes received in respect of roof repairs, cleaning the press pits and removal of the scrap conveyor from the Brampton Premise;
- Reviewing a bill of sale in connection with the sale of the scrap conveyor;
- Corresponding with the coordinator of Inspections for the Town of Milton (the "Inspector") regarding open work permits related to the Milton Premise;
- Attending at the Milton Premise on January 21, 2010 with the Inspector and a Company representative to conduct a final inspection related to permits;
- Corresponding with a former independent contractor regarding the Company's information technology systems;
- Preparing and finalizing a letter amending the term and task agreement for one of the Company representatives retained by the Receiver;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;
- Corresponding with Ontario Ministry of Finance regarding the Company's outstanding tax refunds;
- Following up with the Company's insurance broker regarding renewal of the Company's insurance policy beyond January 31, 2010;
- Dealing with payroll issues;
- Reviewing phase II environmental audits prepared by Golder Associates Ltd. ("Golder") for the Company's real estate;
- Attending calls with Golder regarding the phase II environmental audits, including on January 5, 8 and 13, 2010;
- Delivering payment to Hilborn & Konduros ("Konduros") in connection with a settlement agreement between the Receiver and Knoduros' client regarding unpaid pre-filing vacation pay amounts;

COPY

- Corresponding with Colliers MaCaulay Nicolls (Ontario) Inc. ("Colliers"), the real estate broker engaged by the Receiver to market the Company's properties for sale;
- Attending at a meeting with Colliers on January 22, 2010;
- Reviewing a memorandum delivered by Colliers on January 27, 2010;
- Attending a conference call on January 29, 2010 with representatives from CB Richard Ellis regarding the Premises;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	44,082.50
Out-of-pocket disbursements		694.13
		<hr/> 44,776.63
GST		2,238.83
Total Due	\$	<hr/> <hr/> 47,015.46

COPY

RSM Richter Inc.  
SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
For the Period Ending January 31, 2010

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	625	21.50	13,437.50
Lana Bezner	450	25.25	11,362.50
Faisal Hadibhai	350	44.50	15,575.00
John Tertigas	350	3.50	1,225.00
Other Staff and Administration (including banking)			2,482.50
			<hr/> 44,082.50
Out of Pocket Disbursements (including courier, and phone)			694.13
			<hr/> <hr/> 44,776.63

# RSM Richter

March 11, 2010

**RSM Richter Inc.**

200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6885**  
Client ID: 09-0603  
RK:cb

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered for February 2010 by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, including:

- Attending at the Company premises at 375 Wheelabrator Way, Milton (the "Milton Premise") and 40 Holtby Avenue, Brampton (the "Brampton Premise") (collectively the "Premises");
- Attending a conference call with the Customers, BBK, Grant Thornton LLP and Goodmans LLP ("Goodmans"), the Receiver's counsel, on February 2, 2010;
- Attending a conference call with the Customers, BBK and Goodmans on February 8, 2010;
- Reviewing and commenting on a draft disbursing agreement;
- Attending a meeting on February 9, 2010 with CB Richard Ellis ("CBRE") regarding its engagement by the Receiver to market the Premises for sale;
- Reviewing an offer received for the purchase of the Brampton Premise ("Brampton Offer");
- Drafting an email to the Customers on February 10, 2010 providing details of the Brampton Offer and the Receiver's recommendation that CBRE be engaged to market the Premises;
- Corresponding with CBRE and Goodmans regarding the Brampton Offer;

- Corresponding with Colliers MaCaulay Nicolls (Ontario) Inc. ("Colliers"), the real estate broker formerly engaged by the Receiver to market the Company's properties for sale;
- Preparing a response to the Brampton Offer and delivering same to Colliers on February 16, 2010;
- Reviewing and executing real estate listing agreements;
- Reviewing draft MLS listings and draft property information sheets prepared by CBRE;
- Corresponding with CBRE on a periodic basis regarding various matters concerning the marketing of the Company's real estate;
- Attending at the Brampton Premise with a prospective purchaser and its real estate agent on February 11, 2010;
- Following up with prospective purchaser regarding a draft bill of sale in connection with the sale of the scrap conveyor located at the Brampton Premise;
- Attending at the Company's Milton Premise on February 11, 2010 to transfer the IT equipment from the Brampton Premise to the Milton Premise;
- Creating back up copies of certain electronic books and records stored on the Company's servers;
- Providing technical support in respect of the Company's information systems on a periodic basis;
- Drafting a letter amending the term and task agreement for a Company representative retained by the Receiver;
- Drafting and delivering a letter to GE Security Canada on February 12, 2010 guaranteeing payment for services to be provided at the Brampton Premise;
- Drafting and delivering a letter to International Machinery on February 19, 2010 requesting the removal of three pieces of equipment (the "Equipment") purchased by International Machinery, located on the Company's Brampton Premise;
- Corresponding with International Machinery and Maynards Industries Ltd. regarding the removal of the Equipment;
- Disbursing funds from post-receivership bank accounts in satisfaction of receivership obligations;

COPY

- Reconciling estate bank accounts;
- Preparing an analysis of monthly carrying costs related to the Premises;
- Corresponding with the Ontario Ministry of Finance and a Company representative regarding the Company's outstanding tax refunds;
- Following up with the Company's insurance broker regarding renewal of the insurance policy beyond February 28, 2010;
- Corresponding with Golder Associates Ltd. ("Golder") regarding the wells drilled in connection with the phase II environmental audits conducted by Golder;
- Dealing with payroll issues;
- Corresponding with former employees and Human Resources and Social Development Canada Service Canada regarding individual claims filed pursuant to the Wage Earner Protection Program Act;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Responding to numerous queries from stakeholders, including the Company's trade suppliers and employees;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	42,812.50
Out-of-pocket disbursements		431.45
		<hr/> 43,243.95
GST		2,162.20
Total Due	\$	<hr/> <hr/> 45,406.15

COPY

RSM Richter Inc.  
 SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
 For the Period Ending February 28, 2010

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	625	22.25	13,906.25
Lana Bezner	450	25.25	11,362.50
Faisal Hadibhai	350	34.00	11,900.00
Sonny Luong (IT)	250	18.50	4,625.00
Other Staff and Administration (including banking)			1,018.75
			<u>42,812.50</u>
Out of Pocket Disbursements (including courier)			431.45
			<u><u>43,243.95</u></u>

COPY



# RSM! Richter

April 8, 2010

RSM Richter Inc.  
200 King St. W., P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
[www.rsmrichter.com](http://www.rsmrichter.com)

SKD Company, NMC Canada, Inc. and  
2515080 Nova Scotia Company  
c/o RSM Richter Inc.  
200 King Street West, Suite 1100  
Toronto, ON M5H 3T4

**Invoice #: 6902**  
Client ID: 09-0603  
RK:rk

---

## INVOICE

**Re: SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
(collectively, the "Company")**

For professional services rendered during March 2010 by RSM Richter Inc. in its capacity as Court appointed receiver (the "Receiver") of the Company's property, assets and undertaking, including:

- Attending a call with Goodmans LLP ("Goodmans"), the Receiver's counsel, on March 2, 2010;
- Attending a conference call with the Customers and Goodmans on March 10, 2010;
- Reviewing and commenting on disbursing agent agreements;
- Reviewing comments provided by the Customers on the disbursing agent agreements;
- Reviewing and commenting on a draft settlement agreement, to be entered into among the Receiver, SKD L.P., SKD Automotive Group and Tang Industries Inc.
- Speaking with Goodmans regarding the claims received in the directors and officers claims process ("D&O Claims Process");
- Preparing notices of revision and disallowance ("Notices") in respect of the D&O Claims Process;
- Delivering draft Notices to Lang Michener and Goodmans on March 24, 2010;
- Corresponding with Goodmans and a Company representative regarding D&O Claims received related to overtime equalization payments;

- Corresponding with certain former employees in respect of their claims filed in the D&O Claims Process;
- Drafting an email to the Customers on March 15, 2010 providing an update regarding an offer received for 40 Holtby Avenue, Brampton (the "Brampton Offer");
- Corresponding with CBRE and Goodmans regarding the Brampton Offer;
- Preparing a response to the Brampton Offer and delivering same to CBRE on March 23, 2010;
- Attending at the Company premises at 375 Wheelabrator Way, Milton (the "Milton Premise") on March 30, 2010;
- Reviewing a counter-offer received on March 31, 2010 in connection with the Brampton Offer;
- Corresponding with CBRE on a periodic basis regarding various matters concerning the marketing of the Company's real estate;
- Attending conference calls with CBRE regarding the level of interest in the Company's realty;
- Reviewing financial statements prepared by a Company representative for the fiscal year ending December 31, 2009;
- Restoring back up copies of certain electronic books and records previously obtained from the Company's servers;
- Providing technical support in respect of the Company's information systems on a periodic basis;
- Drafting and delivering a letter amending the term and task agreement for a Company representative;
- Drafting and delivering letters terminating the term and task agreements for two Company representatives;
- Drafting and delivering a letter to Milton Hydro Distribution Inc. on March 19, 2010 extending the Receiver's guarantee of payment for services provided at the Milton Premise;
- Paying receivership expenses, including occupancy costs;

COPY

- Following-up with the Ontario Ministry of Finance regarding the Company's outstanding tax refunds;
- Following-up with the Company's insurance broker regarding renewal of the insurance policy beyond March 31, 2010;
- Reviewing a proposal provided by Golder Associates Ltd. ("Golder") regarding a phase II audit of the Company's Milton Premise and corresponding with Golder with respect to same;
- Dealing with payroll issues;
- Reviewing and exchanging emails and attending calls with Goodmans;
- Responding to queries from stakeholders, including the Company's trade suppliers and employees;
- Convening internal meetings in respect of this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Our Fee (per attached time summary)	\$	44,611.25
Out-of-pocket disbursements		<u>239.65</u>
		44,850.90
GST		<u>2,242.55</u>
Total Due	\$	<u>47,093.45</u>

COPY

RSM Richter Inc.  
SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company  
**Time Summary**  
For the Period Ending March 31, 2010

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	625	24.00	15,000.00
Lana Bezner	450	15.75	7,087.50
Faisal Hadibhai	350	55.30	19,355.00
Sonny Luong (IT)	250	7.00	1,750.00
Other Staff and Administration (including banking)			1,418.75
			<hr/> 44,611.25
Out of Pocket Disbursements (including courier)			239.65
			<hr/> <hr/> 44,850.90

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

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

Proceeding commenced at **Toronto**

**AFFIDAVIT OF ROBERT KOFMAN**

**GOODMANS LLP**

Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham LSUC (#32326A)  
Logan Willis (LSUC# 53894K)  
Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for the Receiver

6

**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**

**AFFIDAVIT OF L. JOSEPH LATHAM**

I, L. Joseph Latham, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Goodmans LLP ("**Goodmans**"), counsel for RSM Richter Inc., in its capacity as the receiver (the "**Receiver**") of the property and assets of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the "**Debtors**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.

2. RSM Richter Inc. was appointed as Receiver of the property and assets of the Debtors pursuant to an Order of the Ontario Superior Court of Justice dated June 11, 2009 (the "**Receivership Order**").

3. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its legal counsel, Goodmans, are required to pass their accounts from time to time.

4. Attached hereto and marked as Exhibit "A" is a summary of the invoices rendered by Goodmans to the Receiver (the "**Goodmans Accounts**") between July 9, 2009 and April 12, 2010 (the "**Goodmans Application Period**"), as well as copies of the Goodmans Accounts.

5. Goodmans expended a total of approximately 367.7 hours in connection with this matter during the Goodmans Application Period, giving rise to fees and disbursements totalling

\$244,218.92, including GST, as outlined in the timekeepers' summary of fees attached hereto and marked as Exhibit "B".

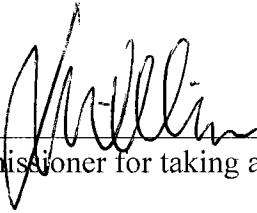
6. The Goodmans' rates and disbursements are consistent with those in the market for these types of matters. Goodmans has had its rates and disbursements, including the rates of various of the lawyers who provided services in these proceedings, approved by this Honourable Court in respect of similar services provided in various insolvency and restructuring files.

7. To the best of my knowledge, the rates charged by Goodmans throughout the course of these proceedings are comparable to the rates charged by other major law firms in Toronto for the provision of similar services.

8. I verily believe that the Goodmans' accounts are fair and reasonable in the circumstances.

9. This Affidavit is sworn in connection with a motion by the Receiver to have, among other things, the fees and disbursements of its counsel, Goodmans, in relation to these proceedings approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario,  
this 19<sup>th</sup> day of April 2010.

  
A Commissioner for taking affidavits

**Logan Willis**

  
L. Joseph Latham



**RSM RICHTER INC.**  
**RECEIVERSHIP OF SKD COMPANY**  
**(July 9, 2009 - April 12, 2010)**

Invoice No.	Invoice Date	Invoice Period / Description	Total Hours	Fees	Disbursements	GST	Invoice Total
522679	July 9, 2009	June 11, 2009 to June 30, 2009	38.6	\$ 18,620.00	\$ 112.40	\$ 936.62	\$ 19,669.02
524619	August 12, 2009	July 2, 2009 to July 28, 2009	21.6	\$ 11,955.50	\$ 171.28	\$ 604.34	\$ 12,731.12
526230	September 9, 2009	August 6, 2009 to August 31, 2009	31.5	\$ 20,740.50	\$ 65.00	\$ 1,040.28	\$ 21,845.78
528036	October 9, 2009	July 17, 2009 to September 30, 2009	36.3	\$ 23,226.00	\$ 49.48	\$ 1,163.37	\$ 24,438.85
529541	November 4, 2009	October 2, 2009 to October 30, 2009	57.4	\$ 36,891.50	\$ 234.78	\$ 1,849.97	\$ 38,976.25
531858	December 9, 2009	October 29, 2009 to November 30, 2009	58.2	\$ 35,359.50	\$ 596.73	\$ 1,788.82	\$ 37,745.05
533289	January 7, 2010	December 1, 2009 to December 18, 2009	13.7	\$ 8,515.00	\$ 50.11	\$ 428.26	\$ 8,993.37
534941	February 4, 2010	January 4, 2010 to January 29, 2010	17.5	\$ 12,008.00	\$ 6.95	\$ 600.75	\$ 12,615.70
536570	March 4, 2010	February 1, 2010 to February 26, 2010	36.4	\$ 24,562.00	\$ 148.75	\$ 1,233.89	\$ 25,944.64
538770	April 12, 2010	March 1, 2010 to March 31, 2010	56.5	\$ 38,949.00	\$ 345.42	\$ 1,964.72	\$ 41,259.14
		<b>TOTAL</b>	<b>367.70</b>	<b>\$ 230,827.00</b>	<b>\$ 1,780.90</b>	<b>\$ 11,611.02</b>	<b>\$244,218.92</b>

This is Exhibit....."A".....referred to in the  
affidavit of.....L. Joseph Latham.....  
sworn before me, this.....19<sup>th</sup>.....  
day of.....April.....20.....10.....  
.....  
A COMMISSIONER FOR TAKING AFFIDAVITS



# Goodmans<sup>LLP</sup>

Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6  
Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca  
GST Registration Number R119422962

July 9, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818

OUR INVOICE NO. 522679

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
06/11/09	KEH	0.60	Receipt of e-mails from J. Latham; at request of J. Latham briefly review listing agreement; provide comments to Richters; exchange e-mails with B. Kofman re: same;
06/11/09	ALS	3.80	Meeting with J. Morrison re: independent contracting agreement; drafting, reviewing, and revising independent contracting agreement.
06/12/09	CEC	4.80	Finalize Maynards agreement; tend to closing of Maynards transaction; e-mail correspondence and discussions with L. Bezner and K. Rosen re: same; revisions to independent contractor contracts; e-mail correspondence with J. Morrison, G. Ernst and L. Bezner re: same; e-mail exchange with counsel for Martinrea re: post-closing items;
06/12/09	LJL	0.60	Emails and telephone conversations with M. Fleming to finalize Orlando settlement; office conference re: Maynards closing;
06/14/09	CEC	0.50	Review closing documents re: Orlando settlement; e-mail correspondence with M. Fleming re: same;
06/15/09	CEC	4.40	Discussions and e-mail correspondence with L. Bezner re: independent contractor agreements; revise and circulate same; discussion with G. Ernst and immigration counsel re: tax filing for contractors; tend to Maynards post-closing matters; voicemail for S. Seigel re: privilege issues; revisions to D/O claims process; review Orlando settlement documentation; discussions with

Date	TKID	Hours	Description
			M. Fleming re: same;
06/15/09	JMN	0.10	Email from C. Costa with respect to WEPPA issues; responding to same;
06/16/09	CEC	3.70	Review Maynards agreement provisions; discussions with L. Bezner re: same; tend to post-closing matters re: Maynards; e-mail correspondence with K. Rosen re: same; conference call with B. Kofman, L. Bezner and K. Herlin re: listing agreements; discussion with J. Morrison re: WEPPA claims; review BIA provisions re: same; discussion with D. Subler re: injury claim; review documentation re: same; review research memo re: privilege in insolvency context;
06/16/09	KEH	0.90	At request of C. Costa participate in call with Richters re: listing agreement; participate in call; review and revise listing agreement; forward same to B. Kofman and Richters;
06/17/09	CEC	1.50	Tend to post-closing Matters re: Maynards; closing books for Martinrea transactions; prepare monitor's certificates re: Maynards; e-mail correspondence with L. Bezner re: same; review Orlando settlement documentation; e-mail correspondence with M. Fleming re: same;
06/19/09	CEC	2.00	Prepare receiver's certificates re: Maynard's transaction; review Maynard's agreement re: payment of tax obligations; discussions with L. Bezner re: status of various matters; review employment letter; e-mail correspondence with J. Morrison and L. Bezner re: same; discussion with S. Seigel re: privileged information; e-mail correspondence with M. Fleming re: Orlando settlement; review receivership order and update service list; review correspondence from counsel for SKD automotive; review e-mail correspondence re: personal injury claim; prepare closing books for Maynard's transaction;
06/22/09	CEC	1.60	Draft director and officer claims process; prepare and circulate receiver's certificates re: Maynard's transaction;
06/23/09	CEC	0.80	Review revisions to listing agreements; review closing books re: Maynard's transaction;
06/23/09	KEH	0.90	At request of L. Bezner review and revise listing agreement; provide re-drafts of same to L. Bezner in final form;
06/24/09	CEC	2.30	Review letter from Ministry re: non-compliance re: board constitution; draft and circulate responding letter; e-mail correspondence with J. Latham and L. Bezner re: same; revise and circulate D and O claims order; prepare closing book re: Maynard's transaction; e-mail exchange with G. Ernst re: form 1099;

Date	TKID	Hours	Description
06/25/09	CEC	1.30	Discussions and e-mails with L. Bezner re: employment and pension issues; review BIA re: same discussion with J. Steele re: pension transfers and notice to FSCO; e-mail to J. Morrison enclosing retention letters; e-mail exchange with B. Wadsworth re: employee payment;
06/25/09	GSE	0.20	Telephone conversation with Kaye Scholer;
06/25/09	JAS	1.00	E-mail correspondence; telephone conversations with S. Rowland; telephone conversation with C. Costa; review background documents;
06/26/09	CEC	0.30	E-mail correspondence with B. Wadsworth re: employee payment; e-mails with L. Bezner and G. Ernst re: form 1099;
06/26/09	GSE	0.20	Telephone conversation with Kaye Scholer; e-mail C. Costa;
06/29/09	CEC	0.10	E-mails with L. Bezner re: Orlando settlement, letter to Ministry and WEPPA claims;
06/30/09	CEC	0.60	Discussion with L. Bezner re: outstanding employee payment; e-mail exchange with B. Wadsworth re: same; e-mail correspondence with J. Morrison and L. Bezner re: WEPPA claims; discussion with J. Latham re: debt allocation; e-mail to B. Kofman and L. Bezner re: same; e-mail correspondence with M. Fleming re: Orlando settlement;

**OUR FEE**

**\$18,620.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
GSE	Ernst, Glenn S.	0.40	\$800.00
JAS	Steele, Jana	1.00	\$695.00
KEH	Herlin, Ken	2.40	\$720.00
LJL	Latham, L. Joseph	0.60	\$750.00
CEC	Costa, Caterina	23.90	\$595.00
JMN	Morrison, Joe	0.10	\$565.00
WPHO	Ostapuk, Helen	1.00	\$55.00
WPJB	Bennett, Jayne	0.20	\$55.00
WPMS	Bakoias, Mary	0.30	\$55.00
WPNB	Buchanan, Susan	0.70	\$55.00

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #522679 -- page 4

TKID	NAME	HOURS	RATE
ALS	Sarabura, Alexander	3.80	\$210.00
DA	Clerk, Litigation	4.20	\$55.00

## DISBURSEMENTS

Parking/ Cab / Mileage	33.65
Copies	55.75
Telephone - Cellular Phone Charges	8.00
Delivery - Courier	15.00

**TOTAL DISBURSEMENTS** **\$112.40**

---

TOTAL FEES ON THIS INVOICE \$18,620.00

GST ON FEES 931.00

NON TAXABLE DISBURSEMENTS 0.00

TAXABLE DISBURSEMENTS 112.40

TOTAL DISBURSEMENTS ON THIS INVOICE \$112.40

GST ON TAXABLE DISBURSEMENTS 5.62

**TOTAL THIS INVOICE** **\$19,669.02**

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #522679 -- page 5

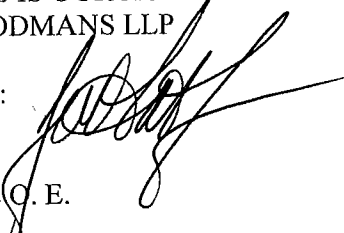
---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS

**\$19,669.02**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER:

  
E. & O. E.  
LJL

This invoice is payable upon receipt in accordance with Section 33 of the Solicitors Act (Ontario), interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.







Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6  
Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca  
GST Registration Number R119422962

August 12, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818  
OUR INVOICE NO. 524619

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
07/02/09	CEC	0.60	E-mail correspondence with J. Morrison and L. Bezner re: WEPPA claims; letter to L. Bezner enclosing closing books for asset transactions;
07/02/09	JMN	0.40	Email from C. Costa with respect to WEPPA claims; responding to same; review article from FMC with respect to definition of "wages" under WEPPA.
07/06/09	CEC	1.00	Review summary of pension plans; review receivership order re: same; discussions with F. Hadibhai re: pension issues and FSCO; discussion with J. Steele re: same; e-mail to counsel for customers re: debt allocation analysis; e-mail correspondence with L. Bezner re: WEPPA claims; e-mails re: retention payment;
07/06/09	JAS	0.30	Telephone conversation with C. Costa; e-mail correspondence.
07/07/09	CEC	0.20	E-mail exchanges with F. Hadibhai and J. Morrison re: employment matters;
07/08/09	CEC	1.20	E-mail correspondence with counsel re: debt allocation; review correspondence from counsel for Paccar; review caselaw re: registrations against VINs; e-mail to L. Bezner re: same;
07/08/09	HEW	0.20	E-mails with C. Costa; order searches;
07/09/09	CEC	0.30	Review VIN search results re: Paccar; e-mail exchanges with counsel for customers re: debt allocation;
07/09/09	HEW	0.20	Review PPSA; e-mails with C. Costa; order new search;

Date	TKID	Hours	Description
07/10/09	CEC	0.10	E-mail correspondence with F. Habidhai re: escrow accounts;
07/10/09	JMN	1.00	Telephone conference with F. Hadisbhai with respect to mass termination provisions; review email with respect to same.
07/14/09	JMN	0.10	Email from F. Hadibhai with respect to employees;
07/15/09	CEC	0.10	E-mail correspondence with J. Latham re: receiver's certificates;
07/16/09	JMN	1.00	Email form F. Hadibhai with respect to WEPPA entitlements; review of employee data responding to same.
07/17/09	LJL	0.40	Telephone calls and e-mail with L. Bezner re: Receiver's Certificates;
07/19/09	JMN	1.50	Review memo with respect to WEPPA issues; email to F. Hadibhai; reviw WEPPA legislation and ESA defintion of entitlement; email to F. Hadibhai with respect to same.
07/20/09	CEC	0.20	Review e-mail from M. Perl re: SKD L.P.; update service list;
07/20/09	JMN	0.70	Email and telephone call from F. Hadibhai regarding WEPPA issues and mass termination; review of emails with respect to same.
07/21/09	LJL	0.40	E-mail to Paccar's counsel re: VIN registrations;
07/22/09	CEC	0.20	Review e-mail correspondence re: Paccar leases; e-mails with J. Latham re: same;
07/22/09	LJL	0.60	Issues re: Paccar lease; reviewing employment issues; telephone call to M. Rawlinson (CAW); emails re: claims process and allocation;
07/23/09	LJL	0.50	Reviewing materials re: Paccar; emails with L. Bezner;
07/23/09	HEW	0.20	E-mails with J. Latham; order searches;
07/24/09	LJL	1.20	Paccar lease issues; reviewing and commenting on draft directors and officers claims process order; emails with A. Silver re: allocation analysis;
07/27/09	CEC	2.20	Revise and circulate D/O claims process; review correspondence re: Paccar leases; e-mail correspondence with A. Vasquez and L. Bezner re: post-closing matters; review receiver's certificate; e-mail to M. Sims and M. Fleming re: Orlando settlement; review memo of J. Morrison re: WEPPA matters; review receiver's certificate; review correspondence from M. Rowlinson re: outstanding employee claims;
07/28/09	CEC	2.60	Review and arrange for filing of receiver's certificate; review letter from counsel for Comerica to Paccar leasing; e-mail correspondence with J. Latham re: same; discussions with F. Habidhai re: Paccar and photocopier

Date	TKID	Hours	Description
			leases, union grievances and issues re: sale of real property and privacy issues: review PIPEDA provisions re: disclosure of personnel files; review appointments and designation of PWC as pension administrator; discussion with P. Ruby re: same; e-mail correspondence with J. Morrison re: unions and purchasers of real estate;
07/28/09	JMN	0.40	E-mail from C. Costa re: successor employee liability; responding to same.
07/28/09	PDR	1.60	Address privacy issue; review Pension Benefits Act and PIPEDA;

**OUR FEE**

**\$11,955.50**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
JAS	Steele, Jana	0.30	\$695.00
LJL	Latham, L. Joseph	3.10	\$750.00
PDR	Ruby, Peter	1.60	\$640.00
CEC	Costa, Caterina	8.70	\$595.00
JMN	Morrison, Joe	5.10	\$565.00
HEW	Wilson, Heather	0.60	\$365.00
DA	Clerk, Litigation	2.20	\$55.00

**DISBURSEMENTS**

Telephone - Long Distance	1.77
Copies	59.25
Conference Calls	5.28
Delivery - Courier	9.98
Search - PPSA	95.00

**TOTAL DISBURSEMENTS**

**\$171.28**

**TOTAL FEES ON THIS INVOICE**

**\$11,955.50**

**GST ON FEES**

**597.78**

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #524619 -- page 4

NON TAXABLE DISBURSEMENTS	40.00	
TAXABLE DISBURSEMENTS	131.28	
TOTAL DISBURSEMENTS ON THIS INVOICE		\$171.28
GST ON TAXABLE DISBURSEMENTS		6.56
<b>TOTAL THIS INVOICE</b>		<b>\$12,731.12</b>
<hr/>		
TOTAL AMOUNT DUE IN CANADIAN DOLLARS		\$12,731.12

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER:

E. & O. E.  
L.L.P.

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## WIRE INSTRUCTIONS

### Canadian \$ General Account

Beneficiary Bank: TD Canada Trust  
394 Bay Street  
Toronto, ON M5H 2Y3

Swift Code: TDOMCATTOR

Beneficiary: Goodmans LLP  
2400 - 250 Yonge Street  
Toronto, ON M5B 2M6

Beneficiary Bank: 00004

Beneficiary Transit: 12162

Beneficiary Account: 0552488

Payment Details: Please quote Lawyer's name and our invoice number(s)

### US \$ General Account

Intermediary Bank: Bank of America  
New York, NY

ABA Code: 026009593

SWIFT Code: TDOMCATTOR

Beneficiary Bank: TD Canada Trust  
394 Bay Street  
Toronto, ON M5H 2Y3

Beneficiary: Goodmans LLP  
2400 - 250 Yonge Street  
Toronto, ON M5B 2M6

Beneficiary Bank: 00004

Beneficiary Transit: 12162

Beneficiary Account: 7359751

Payment Details: Please quote Lawyer's name and our invoice number(s)

***\*\*Please also email Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***



September 9, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO.      RPAR      091818  
OUR INVOICE NO.      526230

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
08/06/09	CEC	0.60	E-mail correspondence with J. Morrison re: union issues on sale of real estate; review and circulate memo re: same;
08/06/09	JMN	3.00	Research and preparation of memorandum with respect to sale of business; email to C. Costa with respect to same.
08/07/09	CEC	0.30	E-mail exchange with M. Fleming re: landlord release; review revised release;
08/10/09	CEC	0.20	Review receiver's certificate and schedule re: Orlando assets;
08/11/09	LJL	0.20	Office conference with C. Costa re: status of claims process for directors and re: allocations;
08/13/09	LJL	0.60	Issues re: lease and Comerica debt; telephone call with B. Kofman re: same;
08/17/09	CEC	0.50	Review statement of claim received; draft letter to counsel re: same;
08/18/09	CEC	0.80	Conference call with B. Kofman and J. Latham re: D/O process;
08/18/09	LJL	1.60	Telephone call with B. Kofman and C. Costa re: Directors and Officers claims process; reviewing draft order;
08/19/09	CEC	1.00	E-mail correspondence with B. Kofman and M. Fleming re: receiver's certificate; e-mail correspondence with F. Habidhai re: statement of claim; revisions to D/O claims process;

Date	TKID	Hours	Description
08/21/09	CEC	1.00	Revise and circulate D and O claims process; e-mail correspondence with B. Kofman re: receiver's certificate; finalize and send letter re: statement of claim;
08/21/09	LJL	1.70	Issues re: offer for Wheelabrator property; emails with B. Kofman re: same; reviewing draft Directors and Officers' claim process order and office conference with C. Costa;
08/24/09	LJL	0.50	Reviewing new offer for Wheelabrator; emails with C. Costa re: claims process;
08/25/09	LJL	0.40	Telephone calls with B. Kofman and L. Bezner re: offer for Wheelabrator;
08/26/09	CEC	0.60	Conference call with Richter and customers re: debt allocation; discussion with J. Latham re: same;
08/26/09	LJL	2.20	Reviewing debt allocation memo; conference call with B. Kofman; L. Bezner and advisors to customers; reviewing offer for Wheelabrator Way; office conference C. Costa re: status of claims process order;
08/27/09	CEC	0.60	Discussion with S. Siegel re: D and O claims process; e-mail to J. Latham re: same; review letter from Paccar leasing; voicemail exchange with L. Bezner re: Martinrea receipt;
08/27/09	LJL	1.30	Office conference with T. Macdonald and emails with B. Kofman re: Wheelabrator offer; issues re: allocations; issues re: Paccar leasing;
08/27/09	TMM	1.00	Review and revise offer; telephone calls with J. Latham.
08/28/09	LJL	1.40	Reviewing and commenting on draft offer for Wheelabrator; office conference with T. Macdonald and telephone calls with B. Kofman and L. Bezner re: same;
08/28/09	TMM	3.90	Revise Agreement of Purchase and Sale; meeting with J. Latham; correspondence.
08/31/09	MUB	0.30	Review e-mail from C. Costa; conduct corporate searches; send e-mail to C. Costa;
08/31/09	CEC	0.70	Conference call re: real estate offer; e-mail correspondence with M. Buckley re: corporate search for purchaser name.
08/31/09	KEH	2.50	Participate in conference call with B. Kofman, J. Latham and L. Bezner re: agreement of purchase and sale; subsequent discussions with T. Macdonald re: same; review and revise agreement of purchase and sale;
08/31/09	LJL	1.80	Reviewing draft asset purchase agreement for Wheelabrator; telephone



Date	TKID	Hours	Description
			conference with B. Kofman, L. Bezner, T. Macdonald and K. Herlin re: same; telephone conference with L. Bezner and C. Costa re: Paccar issues.
08/31/09	TMM	1.00	Conference call with J. Latham, K. Herlin, Richter, Costa.

**OUR FEE**

**\$20,740.50**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
KEH	Herlin, Ken	2.50	\$720.00
LJL	Latham, L. Joseph	11.70	\$750.00
TMM	Macdonald, Thomas M.	5.90	\$765.00
CEC	Costa, Caterina	6.30	\$595.00
JMN	Morrison, Joe	3.00	\$565.00
MUB	Buckley, Maureen	0.30	\$365.00
WPBD	Dare, Berma	0.30	\$55.00
WPHO	Ostapuk, Helen	0.20	\$55.00
WPJB	Bennett, Jayne	0.30	\$55.00
DA	Clerk, Litigation	1.00	\$55.00

**DISBURSEMENTS**

Copies	2.00
Telephone - Cellular Phone Charges	63.00

**TOTAL DISBURSEMENTS**

**\$65.00**

**TOTAL FEES ON THIS INVOICE**

**\$20,740.50**

**GST ON FEES**

**1,037.03**

NON TAXABLE DISBURSEMENTS 0.00

TAXABLE DISBURSEMENTS 65.00

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #526230 -- page 4

TOTAL DISBURSEMENTS ON THIS INVOICE	\$65.00
GST ON TAXABLE DISBURSEMENTS	3.25
<b>TOTAL THIS INVOICE</b>	<b>\$21,845.78</b>

---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS	<b>\$21,845.78</b>
--------------------------------------	--------------------

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER: 

E. & O. E.  
L.J.L. /

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## PAYMENT OPTIONS

Cheque payable to GOODMAN'S LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 2400 - 250 Yonge Street Toronto, ON M5B 2M6
<u>Beneficiary Bank:</u>	00004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 526230 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***



# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

October 9, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO.      RPAR      091818

OUR INVOICE NO.      528036

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
07/17/09	JMN	1.00	E-mail from F. Hadibhai with respect to WEPPA issues; preparation of memorandum with respect to same.
09/01/09	CEC	1.50	Conference call re: debt allocation; discussion with B. Kofman re: pension administrator; review comments re: D and O claims process; revise same.
09/01/09	KEH	3.80	Review and revise purchase agreement; circulate re-draft; work in the consideration of receipt of subsequent comments from L. Bezner re: same and effect further revisions to documents;
09/01/09	LJL	2.30	Reviewing comments on draft asset purchase agreement; issues re: telephone conference with customers on allocation; telephone conference with financial advisors to customers; follow-up with B. Kofman; office conference with C. Costa re: (i) Paccar values and (ii) Directors and Officers claims process issues; telephone call with L. Bezner re: discussions with Maynars for Wheelabrator assets and re: Paccar value.
09/01/09	TMM	0.20	Correspondence.
09/02/09	CEC	0.90	Revise D and O claims order; e-mail to S. Siegel re: same; discussions with L. Bezner and J. Latham re: USW employee claims; e-mail correspondence with F. Habidhai re: same.
09/02/09	KEH	4.80	Review and revise agreement of purchase and sale; discussions with L. Bezner re: same; circulate drafts throughout the day;

Date	TKID	Hours	Description
09/02/09	LJL	1.40	Issues re: United Steelworkers and additional claims for termination and severance; reviewing claims process order and S. Seigel's comments; emails with B. Kofman and C. Costa.
09/03/09	CEC	0.20	Discussion with G. Waggot re: employee claims.
09/03/09	LJL	1.40	Reviewing claims process order; issues re: Wheelabrator sale; telephone call with B. Kofman re: need for bankruptcy.
09/04/09	LJL	1.00	Emails and telephone conference with S. Seigel re: claims process order.
09/08/09	LJL	1.20	Reviewing comments from S. Seigel on claims process order; email to B. Kofman re: same; email correspondence with S. Weisz and B. Kofman re: allocation memo.
09/09/09	KEH	0.50	Discussions with L. Bezner re: status of agreement of purchase and sale and outstanding issues;
09/09/09	LJL	1.50	Telephone Conference with B. Kofman re: directors and officers claims process, bankruptcy, sale of Wheelabrator and reviewing claims process order for Notice of Motion; telephone conference with S. Seigel re: claims process.
09/10/09	CEC	0.10	Review e-mails re: director and officer claims process.
09/10/09	LJL	0.60	Preparation for motion on claims process; reviewing receivership order.
09/11/09	LJL	0.80	Issues re: status of Wheelabrator offer; materials for claims process motion.
09/16/09	LJL	0.30	Emails with J. Leslie and B. Kofman re: status and manner of distributions.
09/17/09	LJL	0.30	Issues re: materials for claims process; correspondence re: status of distributions.
09/18/09	CEC	0.50	Review distribution estimate; email exchange with J. Latham re: same.
09/18/09	LJL	0.60	Reviewing liquidation analysis; telephone call with B. Kofman; emails with B. Kofman and J. Leslie.
09/21/09	LJL	0.20	Telephone conferences and emails with B. Kofman re: claims process and status of draft report.
09/22/09	LJL	0.20	Issues re: draft report and claims process; email with B. Kofman.
09/23/09	KEH	0.40	Exchange e-mails with L. Bezner with respect to agreement of purchase and sale and need for confidentiality agreement before releasing any environmental information; e-mail to J. Latham re: same;
09/24/09	LJL	0.20	Telephone calls with B. Kofman re: status of report and issues to cover.

Date	TKID	Hours	Description
09/25/09	LJL	2.40	Reviewing and commenting on draft report; reviewing Court orders and reports; emailing revised draft to B. Kofman, L. Bezner and C. Costa; telephone conference with B. Kofman and C. Costa re: same.
09/28/09	CEC	0.50	Review revised Receiver's Report re: distribution and directors' claims process.
09/28/09	LJL	2.00	Reviewing and revising draft report; telephone conference and email with B. Kofman re: same; circulating revised draft; reviewing past orders and reports.
09/29/09	CEC	1.00	Review Receiver's Report and provide comments re: same; begin draft of Notice of Motion and Order re: distributions.
09/30/09	CEC	0.60	Discussion with L. Bezner re: report; review Paccar file re: same.

**OUR FEE**

**\$23,226.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
KEH	Herlin, Ken	9.50	\$720.00
LJL	Latham, L. Joseph	16.40	\$750.00
TMM	Macdonald, Thomas M.	0.20	\$765.00
CEC	Costa, Caterina	5.30	\$595.00
JMN	Morrison, Joe	1.00	\$565.00
WPNB	Buchanan, Susan	2.70	\$55.00
WPSM	Murphy, Sheenagh	1.20	\$55.00

**DISBURSEMENTS**

Telephone - Long Distance	3.04
Copies	2.00
Conference Calls	10.44
Search - Corporate	28.00
Search - Sub	6.00

**TOTAL DISBURSEMENTS**

**\$49.48**

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #528036 -- page 4

TOTAL FEES ON THIS INVOICE	\$23,226.00
GST ON FEES	1,161.30
NON TAXABLE DISBURSEMENTS	8.00
TAXABLE DISBURSEMENTS	41.48
TOTAL DISBURSEMENTS ON THIS INVOICE	\$49.48
GST ON TAXABLE DISBURSEMENTS	2.07
<b>TOTAL THIS INVOICE</b>	<b>\$24,438.85</b>

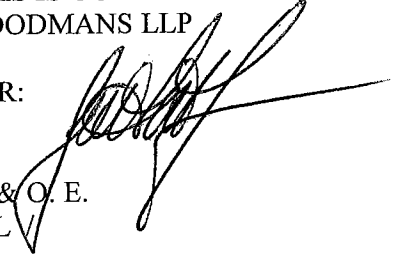
---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS **\$24,438.85**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER:

E. & O. E.  
LJL



This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



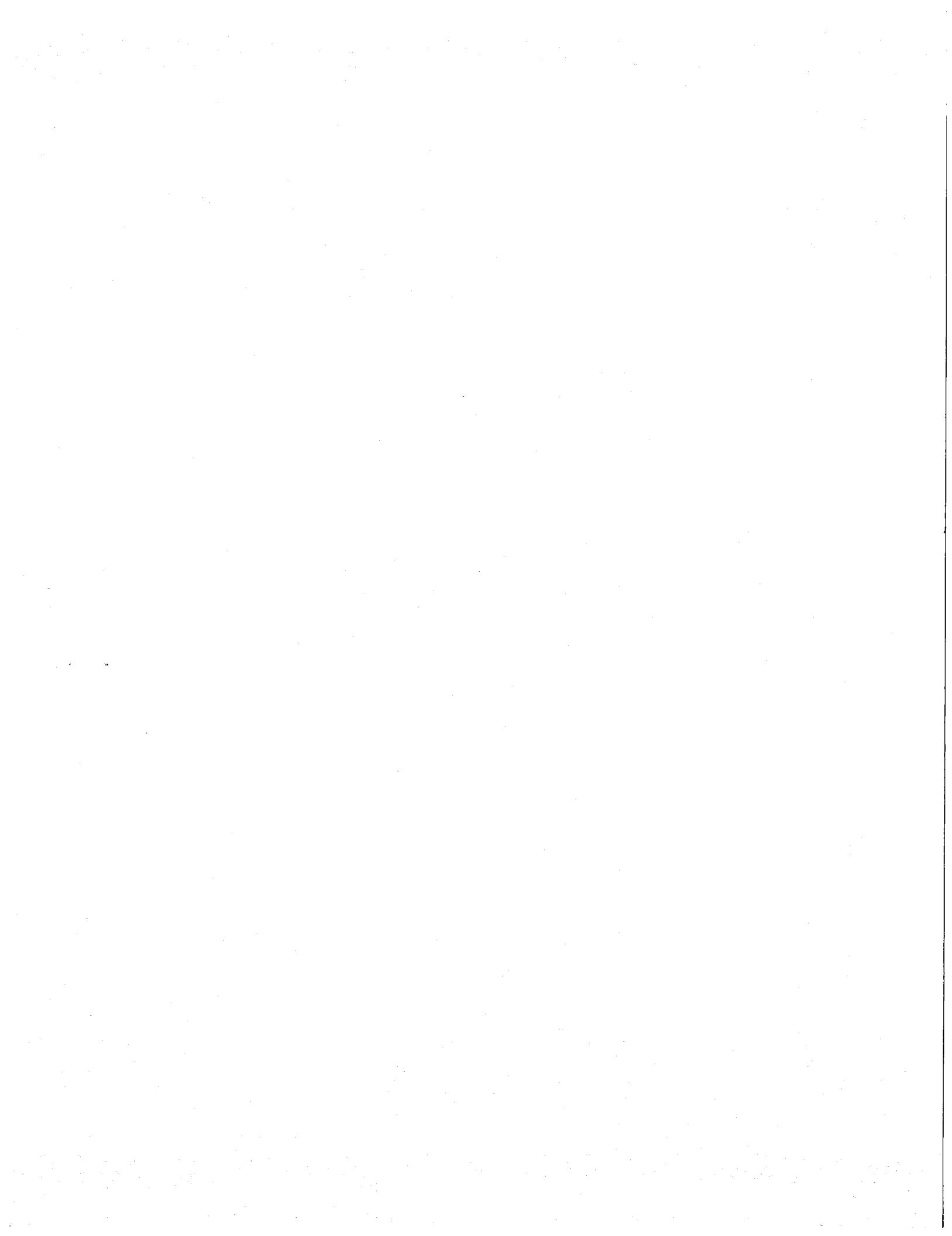
## PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:**

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 2400 - 250 Yonge Street Toronto, ON M5B 2M6
<u>Beneficiary Bank:</u>	00004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 528036 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***





Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6  
Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca  
GST Registration Number R119422962

November 4, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO.      RPAR      091818  
OUR INVOICE NO.                      529541

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
10/02/09	CEC	1.20	E-mail correspondence with C. Colraine re: Paccar truck/trailer; e-mail correspondence with M. Rowlinson re: outstanding employee claims; review revised report; review Paccar correspondence.
10/05/09	CEC	1.70	Review and provide comments on Receiver's First Report; discussions with L. Bezner re: same; discussion with M. Rowlinson re: employee claims.
10/05/09	LJL	0.30	Reviewing draft Receiver's report.
10/05/09	JMN	0.10	Voicemail from F. Hadibhai with respect to SKD matter.
10/06/09	LJL	1.30	Reviewing and commenting on draft report; telephone conference and email with C. Costa re: same.
10/06/09	JMN	0.30	Email from F. Hadibhai with respect to SKD employer on disability leave; responding to same.
10/07/09	LJL	0.30	Emails and telephone conferences with C. Costa re: report.
10/08/09	CEC	0.80	Review additional comments re: Receiver's Report; discussions with J. Latham re: same; mark-up report; e-mail to L. Bezner and B. Kofman re: same; e-mail correspondence with L. Bezner and K. Herlin re: real estate offer for Milton property.
10/08/09	KEH	0.20	Exchange of e-mails with C. Costa with respect to revised agreement of purchase and sale;

Date	TKID	Hours	Description
10/08/09	LJL	1.50	Telephone conference with C. Costa re: comments on report; telephone call with B. Kofman and L. Bezner re: same; emails with L. Bezner re: offer for Wheelabrator.
10/09/09	CEC	0.20	Review real estate offer and comments; e-mail correspondence with K. Herlin re: Maynard's agreement.
10/09/09	KEH	3.50	Review and revise agreement of purchase and sale; provide re-draft to working group for review and comment; subsequent discussions with B. Koffman and L. Bezner re: same; effect further revisions to document; exchange e-mails with J. Latham re: same;
10/09/09	LJL	3.00	Reviewing draft report; reviewing new Wheelabrator offer; emails with K. Herlin and B. Kofman re: same; reviewing revised offer documents; further emails with B. Kofman and K. Herlin re: same.
10/13/09	CEC	0.60	Discussions with L. Bezner re: issues re: Maynard's auction; e-mail correspondence with counsel for Paccar re: same; prepare receiver's certificate.
10/13/09	KEH	1.40	Discussions with L. Bezner re: agreement of purchase and sale; exchange e-mails with L. Bezner and J. Latham re: status of file; subsequent discussions with L. Bezner; review and revise agreement of purchase and sale agreement; provide re-draft to working group;
10/13/09	LJL	1.00	Reviewing Wheelabrator offer; emails with L. Bezner re: property visit; emails with K. Herlin and F. Hadibhai re: same.
10/14/09	CEC	0.20	Arrange for filing of receiver's certificate; circulate filed copy.
10/14/09	KEH	3.10	Discussions with L. Bezner throughout day; review and revise agreement of purchase and sale throughout day; at request of L. Bezner contact C. Costa to locate additional language re: bill of sale exemptions; review and revise agreement of purchase and sale; subsequent discussion with L. Bezner re: same and amended agreement of purchase and sale; prepare execution copies and send same to L. Bezner;
10/14/09	LJL	1.80	Reviewing Wheelabrator offer; emails with L. Bezner and K. Herlin re: same; emails and telephone conversations with S. Siegel and B. Kofman re: draft report.
10/15/09	CEC	0.80	Discussions with L. Bezner re: Maynards transaction; voicemail exchange with S. Seigel re: SKD report; review same.
10/15/09	KEH	0.20	Discussions with L. Bezner re: agreement of purchase and sale and minor

Date	TKID	Hours	Description
			outstanding issues;
10/15/09	LJL	1.40	Reviewing draft report; telephone conversations with S. Siegel and B. Kofman; discussion with C. Costa; email to S. Siegel to respond to questions.
10/16/09	CEC	2.20	Discussion with S. Seigel re: SKD report; e-mail exchange with B. Kofman, L. Bezner and J. Latham re: same; discussion with L. Bezner re: Maynard's transaction; discussion with L. Fernandes re: receiver's certificate.
10/16/09	LJL	0.60	Comments on report.
10/19/09	CEC	0.80	Discussion with L. Bezner re: Receiver's Report; e-mail exchange with S. Seigel re: same; e-mail correspondence with customers re: disbursing agent; review revised schedule for Receiver's Certificate.
10/19/09	LJL	1.00	Reviewing draft report and comments from S. Siegel; emails with B. Kofman re: same.
10/20/09	CEC	0.30	Prepare Receiver's Certificate; circulate same for signature.
10/20/09	LJL	1.00	Telephone conversations and emails with B. Kofman and L. Bezner re: outcome of auction and re: status of Wheelabrator offer; enquiries of customers' counsel re: disbursing agent.
10/21/09	LJL	1.50	Telephone conversations and emails with B. Kofman and C. Costa re: finalizing report; serving and getting court date; emails re: Wheelabrator offer dying.
10/22/09	CEC	0.70	Conference call with B. Kofman re: Maynard's; review Maynard's agreement; coordinate court time for distribution motion.
10/22/09	LJL	1.40	Discussion with C. Costa re: draft notice of motion and order; emails with B. Kofman and Maynards re: removal of oil from tanks; reviewing auction agreement with Maynards; emails re: court date and finalizing report.
10/23/09	LJL	2.80	Reviewing and commenting on draft report re: distributions, etcetera; reviewing and revising draft claims process order; meeting with C. Costa and emails with B. Kofman and L. Bezner and counsel for customers.
10/25/09	CEC	2.40	Prepare motion materials re: distribution motion.
10/26/09	CEC	1.30	Draft Notice of Motion and distribution Order; circulate same for review.
10/26/09	LJL	1.40	Reviewing and revising draft notice of motion and order; meeting with C. Costa; emails with B. Kofman.
10/27/09	MUB	0.50	Exchange email messages with C. Costa; order verbal PPSA searches; retrieve

Date	TKID	Hours	Description
			results, review and circulate;
10/27/09	CEC	0.80	Review revised Notice of Motion and distribution Order; assemble and review Motion Record.
10/27/09	LJL	2.30	Revising draft motion and order; finalizing and serving motion record; meeting with C. Costa; telephone conference and emails with B. Kofman.
10/28/09	CEC	1.00	Discussions with L. Bezner re: Maynard's agreement and insurance issues and the Milton property; e-mail correspondence with G. Lauzon and K. Herlin re: same; review and update service list; tend to filing of motion record.
10/28/09	CDS	0.60	Filing motion record at the Commercial List.
10/28/09	KEH	0.60	Exchange e-mails with C. Costa; J. Latham and G. Lauzon with respect to off-title work order with respect to Milton property; request same; exchange subsequent e-mails J. Latham with respect to construction lien on Brampton property; discussions with G. Lauzon re: Milton property and Brampton property;
10/28/09	LJL	1.60	Telephone call with B. Kofman re: distribution motion; emails with K. Ecclestone and L. Bezner re: lien claims; meeting with C. Costa re: lien claims; emails seeking surveys to note and deal with concerns re: Wheelabrator property.
10/28/09	GLL	0.50	Numerous email and discussions; instructions to P. Macdonald re off-title searches;
10/29/09	JCC	0.70	Office conference with J. Latham; receipt and review of Statement of Claim and Certificate of Action of O'Brien Installations Ltd.
10/29/09	LJL	0.60	Emails with K. Ecclestone and B. Kofman re: claim for lien; reviewing motion record.
10/29/09	PM	1.20	E-mails to and from G. Lauzon; telephone calls to Town of Milton; prepare clearance letters to Tax and Building.
10/30/09	KEH	0.80	Discussions with L. Bezner with respect to Milton property work orders; discussions with P. MacDonald re: same; order and locate work order; subsequent call and e-mail to L. Bezner re: same;
10/30/09	LJL	0.80	Meeting with K. Herlin and emails re: outstanding issues on Wheelabrator property; reviewing motion record re: distributions.
10/30/09	PM	0.50	Discussion with S. Flynn of Milton re: active permits; e-mail to K. Herlin.

---

**OUR FEE****\$36,891.50****TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
JCC	Cosentino, Joe	0.70	\$620.00
KEH	Herlin, Ken	9.80	\$720.00
LJL	Latham, L. Joseph	25.60	\$750.00
CEC	Costa, Caterina	15.00	\$595.00
JMN	Morrison, Joe	0.40	\$565.00
GLL	Lauzon, Gloria	0.50	\$375.00
MUB	Buckley, Maureen	0.50	\$365.00
PM	MacDonald, Paula	1.70	\$235.00
CDS	Descours, Caroline	0.60	\$230.00
WPJB	Bennett, Jayne	0.50	\$55.00
DA	Clerk, Litigation	2.10	\$55.00

**DISBURSEMENTS**

Telephone - Long Distance	3.78
Searches - Corporate/Lien - Disbursement(s)	8.00
Searches - Corporate/Lien - Fee(s)	15.00
Copies	79.75
Set Down Motion	127.00
Telecopier Charges	1.25

**TOTAL DISBURSEMENTS****\$234.78****TOTAL FEES ON THIS INVOICE****\$36,891.50****GST ON FEES****1,844.58**

NON TAXABLE DISBURSEMENTS

127.00

TAXABLE DISBURSEMENTS

107.78

**TOTAL DISBURSEMENTS ON THIS INVOICE****\$234.78****GST ON TAXABLE DISBURSEMENTS****5.39**

**TOTAL THIS INVOICE**

**\$38,976.25**

---

**ACCOUNTS RECEIVABLE**

DATE	NUMBER	INVOICE AMT	TOTAL PAID/CR	BALANCE DUE
10/09/09	528036	\$24,438.85	\$0.00	\$24,438.85

**TOTAL OUTSTANDING INVOICES (IN CDN)**

**\$24,438.85**

---

**TOTAL AMOUNT DUE IN CANADIAN DOLLARS**

**\$63,415.10**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER:

E. & O. E.  
L.JL / 

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



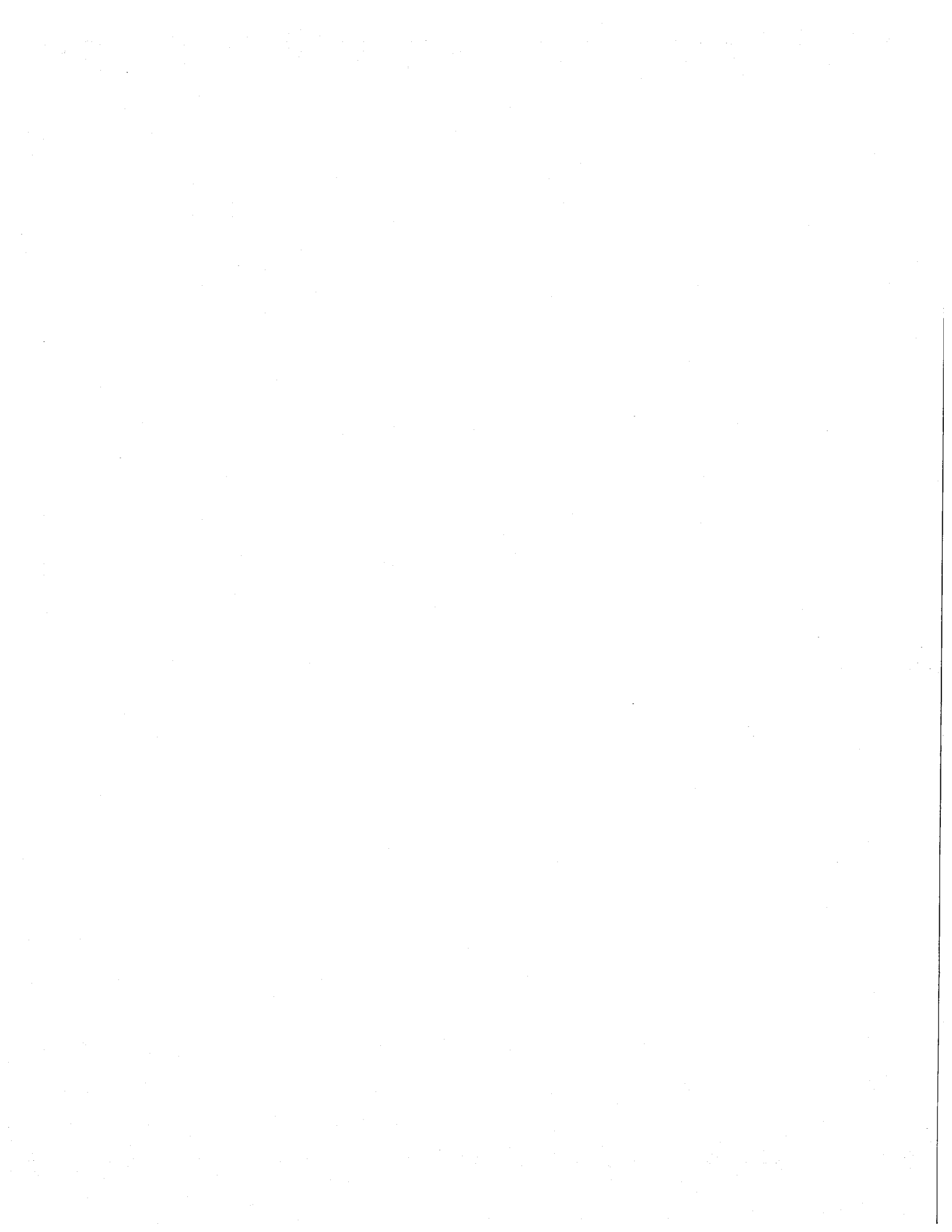
## PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:**

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 2400 - 250 Yonge Street Toronto, ON M5B 2M6
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 529541 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***



# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

December 9, 2009

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO.      RPAR      091818

OUR INVOICE NO.      531858

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
10/29/09	CEC	0.60	Discussion with L. Bezner re: Maynard's Bill of Sale and inspection issues re: Milton property; e-mail exchanges with K. Herlin and G. Lauzon re: same.
11/02/09	JCC	0.50	Review lienability of O'Brien Installations Services.
11/02/09	CEC	0.30	Review revised interim distribution motion per comments received; tend to filing of receiver's certificate.
11/02/09	KEH	0.70	Forward information with respect to outstanding work orders; discussions with P. MacDonald and L. Bezner re: same;
11/02/09	LJL	2.50	Telephone conferences with counsel re: comments on draft distribution order; emails and telephone conferences with B. Kofman re: same; email from R. McDowell re: concerns of Comerica.
11/02/09	GLL	0.30	Numerous email; subsearch on Teraview; email updated parcel register to K. Herlin;
11/02/09	PM	0.60	Review correspondence; email to K. Herlin; discussions with S. Flynn and Inspector re: active permits;
11/03/09	CEC	0.80	Prepare court materials for interim distribution motion; review e-mail exchanges re: same; review subordinated participation agreement.
11/03/09	KEH	0.20	Discussions with P. MacDonald re: status of work orders; removal of same;

Date	TKID	Hours	Description
11/03/09	LJL	3.50	Multiple telephone conferences with counsel for Comerica, customers and SKD re: issues with disbursing agent and other concerns raised by Comerica; reviewing draft order; emails and telephone conferences with R. McDowell re: disbursing issues; preparing for motion.
11/04/09	CEC	1.90	Attend at and prepare for court; tend to issuance of order; circulate same to service list.
11/04/09	LJL	2.00	Preparing for and attending motion to approve claims process; multiple discussions with counsel re: distribution issues and mechanics.
11/05/09	CEC	1.20	Conference call with S. Seigel, SKD company, B. Kofman, L. Bezner and J. Latham re: waterfall and disbursing agent; review waterfall; discussion with counsel for SKD re: noise complaint litigation; revisions to instruction letter; review letter from Paccar.
11/05/09	KEH	0.20	E-mail to L. Bezner re: Milton property taxes and building report;
11/05/09	LJL	2.60	Telephone conference with SKD and its advisors re: disbursing agent and issues re: distribution of cash; reviewing materials re: claims process; telephone conference with C. Hill re: customers' response on disbursing agent approach.
11/06/09	CEC	2.40	Correspondence with F. Habidai re: service of claims notice; email correspondence with counsel re: noise complaint litigation; draft disbursing agent agreement.
11/06/09	LJL	1.80	Telephone conferences with A. Maerov and B. Kofman re: factual record; telephone conferences and emails with C. Hill re: disbursing agent.
11/08/09	CEC	2.60	Draft disbursement agreement and form of joint direction; circulate same for review.
11/09/09	CEC	1.30	Discussion / e-mail correspondence with L. Bezner re: D/O claims process and employee claims; coordinate adjournment of interim distribution Motion and follow up conference call; review claims process Order; prepare Schedule F to claims Order.
11/09/09	KEH	0.30	Receipt of e-mail from P. MacDonald re: outstanding work orders; e-mail to L. Bezner setting out concerns; exchange e-mails with J. Latham re: same;
11/09/09	PM	1.20	Discussions with Building Inspector; email report of discussions to K. Herlin;
11/10/09	CEC	3.60	Revisions to Disbursement Agreement; circulate same for review; attend at 9:30 adjournment Hearing; tend to issuance of revised D/O claims Order; circulate same to service list; revise and send letter to Paccar Leasing;

Date	TKID	Hours	Description
			conference call with customers' counsel, Receiver and SKD company and counsel re: Disbursement Agreement; discussion with L. Bezner re: employee claim; e-mail to customers re: same.
11/10/09	CDS	0.40	Delivering orders and endorsements to Commercial List court.
11/10/09	KEH	0.30	Receipt of building report details; exchange e-mails with L. Bezner re: same;
11/10/09	LJL	1.80	Reviewing and revising disbursement agreement; meeting with C. Costa re: same; telephone conferences with B. Kofman re: same; emails re: telephone conference and to discuss disbursing agent and re: real estate issues.
11/10/09	GLL	0.20	Numerous email re off-title matters;
11/10/09	PM	0.30	Telephone conversation with Inspector re: zoning;
11/11/09	CEC	0.40	Coordinate Court time for distribution Motion; discussion with L. Bezner and K. Herlin re: noise bylaw litigation.
11/11/09	KEH	0.50	Briefly review response from City of Brampton re: work orders; brief discussions with P. MacDonald re: same; conference call with B. Koffman and L. Bezner re: next steps relating to outstanding work orders and inspections;
11/11/09	LJL	0.60	Reviewing disbursement agreement; emails re disbursing agent and timing of motion; telephone call with B. Kofman re: cash collateral.
11/11/09	PM	0.60	Telephone conversations with Town of Milton; discussions with K. Herlin re: permits;
11/12/09	CEC	1.70	Review comments on Disbursement Agreement and address same; discussions with counsel for SKD re: noise complaint; tend to receiver queries re: D/O claims process.
11/12/09	LJL	1.20	Reviewing issues on disbursement agreement; telephone conferences with B. Kofman and meeting with C. Costa re: need for draft supplemental report.
11/13/09	CEC	0.80	Revisions to Disbursement Agreement; discussions with L. Bezner re: claims process; e-mail correspondence with counsel re: noise bylaw litigation;
11/13/09	LJL	1.60	Reviewing draft distribution agreement; emails and telephone conferences with B. Kofman re: same; emails to set up telephone conference with SKD customers; telephone conference with A. Maerov re: Comerica's concerns; telephone conference with B. Kofman re: same.
11/14/09	CEC	0.20	E-mail exchange with J. Latham re: distribution agreement; circulate same for review.

Date	TKID	Hours	Description
11/16/09	CEC	0.90	Conference call re: Disbursement Agreement and distribution Motion; coordinate Court time re: same.
11/16/09	LJL	1.40	Revising draft report; telephone conferences with SKD, customers and Richters re: distribution issues.
11/17/09	CEC	0.60	Discussions with Counsel for SKD re: noise complaint; discussions and e-mail exchanges with L. Bezner, B. Kofman and J. Latham re: same.
11/17/09	LJL	1.40	Emails with counsel for customers to confirm (i) adjournment of motion and (ii) issues with distribution agreement; telephone conferences with J. Dietrich and B. Kofman re: pension plan administrator's concerns.
11/17/09	JUN	0.60	Interoffice meeting with C. Costa re: court appearance.
11/18/09	CEC	0.30	Tend to scheduling matters re: interim distribution Motion; e-mail exchanges with counsel re: same; e-mail exchanges with J. Latham re: outcome of noise complaint litigation.
11/18/09	JUN	3.00	Attend court to adjourn a Motion and reschedule for two weeks time; email to C. Costa re: same.
11/19/09	CEC	0.20	Coordinate Court time for interim distribution Motion; canvass Counsel re: same.
11/19/09	LJL	1.00	Emails and telephone conferences with B. Kofman re: status of SKD outcome discussions; issues re: scheduling motion.
11/20/09	LJL	0.40	Emails with B. Kofman re: discussions between J. Chen and customers; issues re: allocation agreement.
11/23/09	CEC	0.30	E-mail correspondence with L. Bezner re: noise complaint conviction fine and invoice; review invoice; letter to L. Bezner enclosing same; discussion with L. Bezner re: Paccar assets.
11/23/09	LJL	1.00	Issues re: customer claims which impact timing of distribution agreement; emails with F. Hadibhai re: employee issues.
11/24/09	LJL	0.80	Emails with B. Kofman and C. Costa re: disbursement agreement and issues between SKD and customers.
11/25/09	CEC	0.30	Discussions with L. Bezner re: claims process; e-mail follow up re: payment of employee amount; review letter from C. Colraine re: Paccar security.
11/25/09	LJL	0.60	Emails and telephone conference with customers re: status of disbursement agreement and issues between customers and SKD.

Date	TKID	Hours	Description
11/26/09	LJL	0.40	Emails and telephone conferences with B. Kofman re: status of discussions with SKD and customers.
11/27/09	CEC	0.50	Draft letter to C. Colraine re: Paccar lease; e-mail exchange with J. Latham re: same; discussion with L. Bezner re: ownership documentation.
11/30/09	CEC	0.30	Draft responding letter to C. Colraine re: Paccar security; discussion with L. Bezner re: same; review e-mails re: status of discussions re: intercompany claims.

---

**OUR FEE****\$35,359.50****TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
JCC	Cosentino, Joe	0.50	\$620.00
KEH	Herlin, Ken	2.20	\$720.00
LJL	Latham, L. Joseph	24.60	\$750.00
CEC	Costa, Caterina	21.20	\$595.00
JUN	Uhren, John	3.60	\$375.00
GLL	Lauzon, Gloria	0.50	\$375.00
PM	MacDonald, Paula	2.70	\$235.00
CDS	Descours, Caroline	0.40	\$230.00
DA	Clerk, Litigation	2.50	\$55.00

**DISBURSEMENTS**

Telephone - Long Distance	0.54
Copies	127.25
Telephone - Cellular Phone Charges	53.39
Certificate - Realty Tax	45.00
Certificate - Building	87.00
Conference Calls	89.38
Delivery - Courier	34.17
Search - PPSA	138.00
Search - Sub	22.00

**TOTAL DISBURSEMENTS****\$596.73**

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

250 Yonge Street, Suite 2400  
Toronto, Ontario Canada M5B 2M6

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

GST Registration Number R119422962

Invoice #531858 -- page 6

---

TOTAL FEES ON THIS INVOICE	\$35,359.50
GST ON FEES	1,767.98
NON TAXABLE DISBURSEMENTS	180.00
TAXABLE DISBURSEMENTS	416.73
TOTAL DISBURSEMENTS ON THIS INVOICE	\$596.73
GST ON TAXABLE DISBURSEMENTS	20.84
<b>TOTAL THIS INVOICE</b>	<b>\$37,745.05</b>

---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS	<b>\$37,745.05</b>
--------------------------------------	--------------------

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER: 

E. & O. E.  
LJL

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



## PAYMENT OPTIONS

Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 2400 - 250 Yonge Street Toronto, ON M5B 2M6
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 531858 (Please include all invoice numbers)

**\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)**



January 7, 2010

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818  
OUR INVOICE NO. 533289  
GST REGISTRATION NO. R119422962

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
12/01/09	CEC	0.40	Finalize and send letter to C. Colraine re: Paccar security; e-mail exchange with M. Rowlinson re: terminated employees.
12/01/09	LJL	0.40	Telephone conferences with B. Kofman re: issues between SKD and customers which are holding up distributions.
12/02/09	CEC	0.40	Discussion with J. Dietrich re: PWC position on distribution Motion; e-mail to S. Seigel re: same; discussion with L. Bezner re: terminated employee claim.
12/02/09	LJL	2.00	Reviewing and revising draft motion materials; emails and telephone calls with B. Kugman and D. Sieradzki re: same; meeting with C. Armstrong.
12/02/09	LJL	0.80	Telephone calls and emails with B. Kofman re: status of SKD and Customer discussions; ongoing conference call with customers to update.
12/03/09	CEC	0.80	Conference call with Receivers and customers re: discussions with company re: distributions; e-mail to service list re: Motion adjournment.
12/03/09	LJL	1.40	Issues re: ongoing dispute over US payables; telephone conference with customers; reviewing distribution agreement; meeting with C. Costa re: adjournment of December 9, 2009 date.
12/07/09	CEC	0.20	Message for S. Seigel re: D/O claims process; review letters from Honduras.
12/08/09	CEC	0.70	Discussion with S. Seigel re: D/O claim process; review letter re: Paccar assets; provide comments re: same; instructions to J. Uhren re: adjournment

Date	TKID	Hours	Description
			of Motion.
12/08/09	JUN	0.40	Interoffice meeting with C. Costa re: court appearance; brief review of materials in preparation for Motion.
12/09/09	CEC	0.60	Draft response to R. Konduros re: vacation pay claim; circulate Endorsement to service list re: adjournment of distribution Motion; e-mail correspondence with J. Uhren re: same.
12/09/09	LJL	0.50	Issues re: employee claims; meeting with C. Costa re: adjournment of motion.
12/09/09	JUN	2.50	Attending at Court to adjourn a Motion re: disbursement agreement; emailing Endorsement to C. Costa.
12/10/09	CEC	0.30	Discussions with L. Bezner re: letter from Konduros; e-mail from M. Rowlinson re: employee claims.
12/10/09	LJL	0.20	Issues re: union employees and email with C. Costa.
12/11/09	LJL	0.30	Meeting with C. Costa and telephone calls with B. Kofman re: status of discussions between customers and SKD.
12/15/09	KEH	0.20	Exchange e-mails with L. Bezner re: real property matters; follow up with P. MacDonald re: same;
12/15/09	LJL	0.30	Emails with B. Kofman re: status of claims process.
12/16/09	CEC	0.60	Review proposed response to R. Konduros re: vacation pay claim; provide comments re: same; discussion with L. Bezner re: Paccar assets; discussion with J. Latham re: response to M. Rowlinson re: terminated employees.
12/16/09	LJL	0.40	Emails with B. Kofman re: status of claims process; issues with United Steelworkers claimants.
12/18/09	CEC	0.30	Draft e-mail to customers re: employee claims; circulate same for review.

**OUR FEE**

**\$8,515.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
KEH	Herlin, Ken	0.20	\$720.00
LJL	Latham, L. Joseph	6.30	\$750.00
CEC	Costa, Caterina	4.30	\$595.00

TKID	NAME	HOURS	RATE
JUN	Uhren, John	2.90	\$375.00

## DISBURSEMENTS

Copies	7.00
Telephone - Cellular Phone Charges	19.65
Conference Calls	23.46

**TOTAL DISBURSEMENTS** **\$50.11**

---

TOTAL FEES ON THIS INVOICE **\$8,515.00**

GST ON FEES **425.75**

NON TAXABLE DISBURSEMENTS **0.00**

TAXABLE DISBURSEMENTS **50.11**

TOTAL DISBURSEMENTS ON THIS INVOICE **\$50.11**

GST ON TAXABLE DISBURSEMENTS **2.51**

**TOTAL THIS INVOICE** **\$8,993.37**

---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS

**\$8,993.37**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER: 

E. & O. E.

LJL

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## CHANGE OF ADDRESS NOTICE AND PAYMENT OPTIONS

As of December 22nd, 2009 Goodmans LLP will be located at:

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M4H 2S7

Please remit payments to:

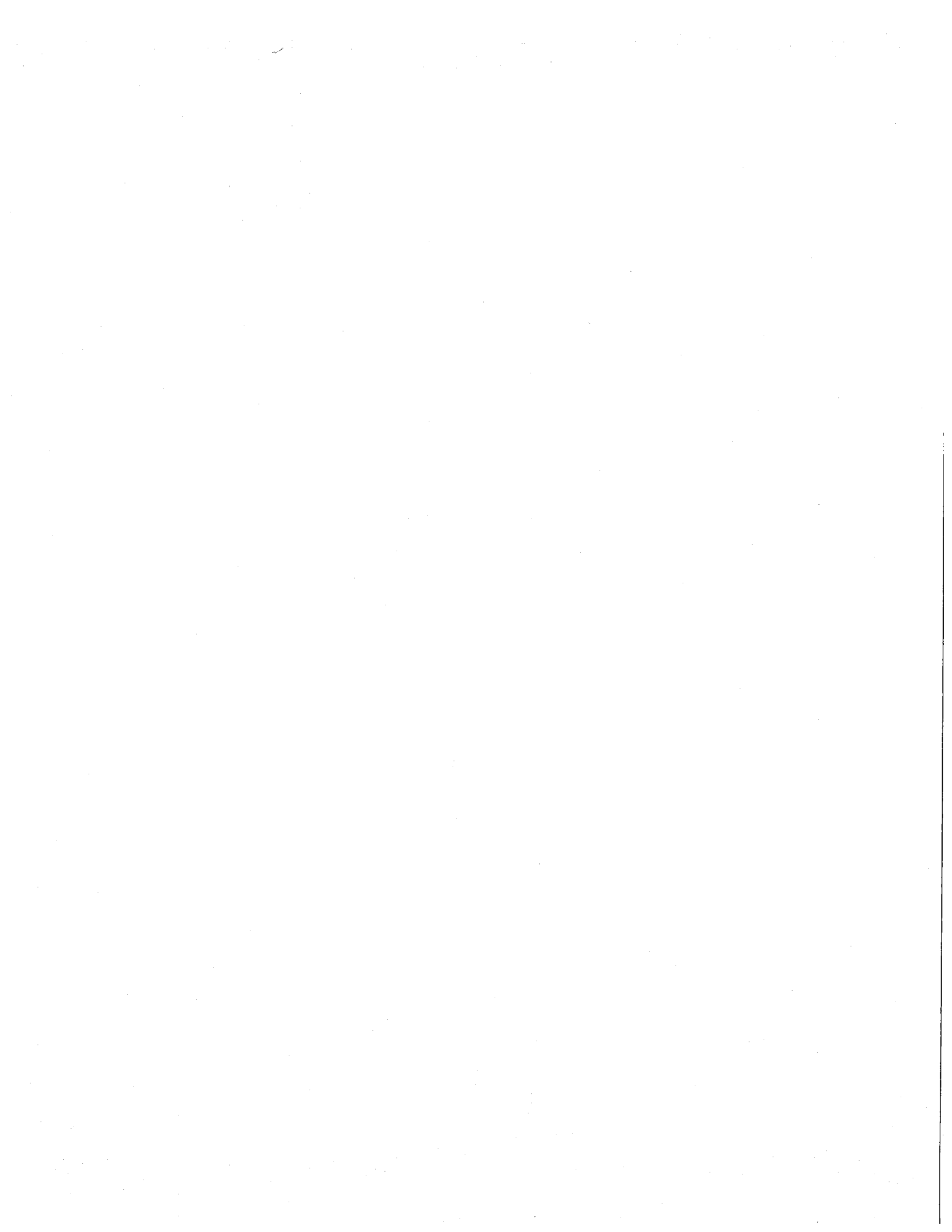
333 Bay Street  
Box 3400  
Toronto, ON M5H 2R2

Or by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M4H 2S67
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 533289 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***





February 4, 2010

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818

OUR INVOICE NO. 534941

GST REGISTRATION NO. R119422962

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
01/04/10	JMN	0.30	Email from C. Costa; review of same; responding to same.
01/05/10	LJL	0.50	Emails with C. Costa, B. Kofman and C. Hill re: United Steelworkers threat to bring a motion to get payments for terminated employees and practical concerns.
01/06/10	LJL	0.50	Emails with B. Kofman and C. Hill re: United Steelworkers position on terminated employees.
01/07/10	LJL	0.40	Issues re: United Steelworkers claim; telephone conference with B. Kofman re: status of directors and officers claims process.
01/11/10	CEC	0.20	Voicemail from C. Colraine re: Paccar ownership documents; e-mail correspondence with F. Hadibhai and L. Bezner re: Paccar; e-mails with J. Latham re: discussions with PWC as pension administrator.
01/11/10	LJL	1.60	Reviewing claims list; telephone conference with B. Kofman re: status; reviewing emails re: discussions between customers and SKD; emails with C. Hill re: status of customer view on United Steelworkers position.
01/12/10	LJL	0.20	Telephone conference with L. Bezner re: directors and officers claims.
01/13/10	CEC	0.10	Discussion with L. Bezner re: Paccar.
01/14/10	LJL	0.40	Issues re: Customer's responses to USW position; emails with C. Hill and B. Kofman.

Date	TKID	Hours	Description
01/19/10	LJL	2.10	Telephone conferences and emails with B. Kofman re: status of claims; email to customers re: status of talks with SKD; emails to United Steelworkers re: refusal to admit claims for terminated employees; issues re: real estate.
01/20/10	CEC	0.20	Discussion with L. Bezner re: D/O claims process, Paccar, and Amerhurstburg pension, Bill of Sale re: conveyor.
01/20/10	LJL	0.60	Revising and commenting on claim for vacation pay; telephone conferences with L. Bezner; reviewing memo to Lang, Michener.
01/21/10	CEC	0.50	E-mail to C. Colrairie re: Paccar ownership documents; review D/O memo; review service list re: claims process; e-mail correspondence with L. Bezner and J. Latham re: same.
01/21/10	LJL	1.30	Reviewing memo on director and officer claims; emailing comments to B. Kofman and L. Bezner; emails with B. Kofman and L. Bezner re: real estate sales issues.
01/22/10	CEC	1.20	Prepare bill of sale re: conveyor; circulate same; discussions with L. Bezner and S. Seigel re: D/O claims process; review D/O overtime claims filed; e-mail correspondence with J. Morrison re: same.
01/22/10	KEH	0.30	Discussions with G. Lauzon; receipt of letter from city of Milton re: 375 Wheelabrator property re: clearing of work orders; forward same to L. Bezner at Richters;
01/22/10	LJL	0.30	Telephone conference with B. Kofman re: claims process and real estate issues.
01/25/10	CEC	1.40	Review letter re: Beshamer litigation and prior correspondence re: same; discussion with L. Bezner re: same; summarize receiver responsibilities re: D/O process; e-mail summary to L. Bezner.
01/25/10	KEH	0.50	At request of J. Latham mark-up confidentiality letter;
01/26/10	CEC	0.10	E-mail exchange with L. Bezner re Paccar.
01/27/10	CEC	1.30	Review summary of D/O Claims filed and three potential wage claims; conference call with J. Morrison, G. Waggott and S. Seigel re: wage claims filed; discussion with L. Bezner re: same.
01/27/10	JMN	1.50	Review documentation with respect to claims for overtime pay; participation on conference call with L. Michener and C. Costa with respect to same.
01/28/10	CEC	0.80	Review and revise bill of sale; discussion with L. Bezner re: same; e-mail exchange with S. Seigel re: D/O claims process; e-mail exchange with B.

Date	TKID	Hours	Description
			Kofman and L. Bezner re: same; prepare amended D/O claims Order.
01/28/10	LJL	0.30	Emails with C. Costa and B. Kofman re: need for assistance re: claims process.
01/28/10	JMN	0.50	Review of documentation for employment claims.
01/29/10	CEC	0.40	Coordinate 9:30 appointment re: D/O claims process; review and revise bill of sale; e-mail exchanges re: same.

---

**OUR FEE** **\$12,008.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
KEH	Herlin, Ken	0.80	\$745.00
LJL	Latham, L. Joseph	8.20	\$765.00
CEC	Costa, Caterina	6.20	\$610.00
JMN	Morrison, Joe	2.30	\$590.00

**DISBURSEMENTS**

Telephone - Long Distance	2.15
Telephone - Cellular Phone Charges	4.80

**TOTAL DISBURSEMENTS** **\$6.95**

---

TOTAL FEES ON THIS INVOICE \$12,008.00

GST ON FEES 600.40

NON TAXABLE DISBURSEMENTS 0.00

TAXABLE DISBURSEMENTS 6.95

TOTAL DISBURSEMENTS ON THIS INVOICE \$6.95

GST ON TAXABLE DISBURSEMENTS 0.35

# Goodmans<sup>LLP</sup>

Barristers & Solicitors

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

Invoice #534941 -- page 4

**TOTAL THIS INVOICE**

**\$12,615.70**

---

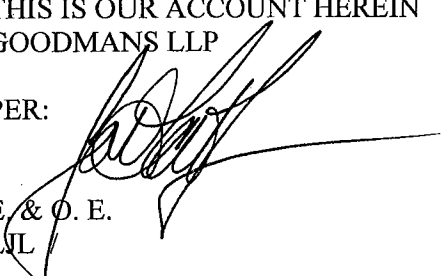
TOTAL AMOUNT DUE IN CANADIAN DOLLARS

**\$12,615.70**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER:

E. & O. E.  
LJL



This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## PAYMENT OPTIONS

Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M4H 2S7
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 534941 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***



March 4, 2010

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818  
OUR INVOICE NO. 536570  
GST REGISTRATION NO. R119422962

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
02/01/10	CEC	0.80	Coordinate 9:30 appointment re: claims process; prepare Court materials re: claims process; email to Dipierdomenico re: Statement of Claim.
02/01/10	LJL	1.50	Reviewing Distribution Agreement; telephone conference with SKD, customers and Richters re: status and need to settle issues re: U.S. hostage payments.
02/02/10	CEC	1.20	Telephone conference with customers re: distribution; prepare revised claims materials; email correspondence with L. Bezner and S. Seigel re: same.
02/02/10	LJL	0.30	Meeting with C. Costa re: materials for February 5, 2010 Motion.
02/03/10	LJL	1.00	Telephone conferences with C. Costa and reviewing emails re: claims process; issues re: Disbursement Agreements.
02/04/10	CEC	4.20	Finalize materials re: amended claims process; correspondence with S. Seigel re: same; discussions with L. Bezner re: same and re: Paccar; review Paccar Proof of Claim; voicemail for C. Colraine re: same; review Notices and Order re: pension winddown; email exchanges with J. Latham, J. Steele and L. Bezner re: same; revise Disbursement Agreement as per comments received; create separate Canadian and US participation versions.
02/04/10	JAS	0.30	Emailing correspondence; reviewing wind-up notices.
02/05/10	CEC	1.20	Prepare for and attend at 9:30 appointment re: amendment to claims process;

Date	TKID	Hours	Description
			tend to service of amended claims package and issuance of Amending Order.
02/05/10	JAS	1.60	Voicemails from J. Latham; emailing correspondence; reviewing pension plan materials and considering issue re: outstanding contributions to plan.
02/08/10	CEC	0.20	Telephone conference re: distributions and outstanding customer issues.
02/08/10	LJL	1.60	Telephone conference with customers and SKD; issues re: distributions; reviewing draft Disbursement Agreements; emails and telephone calls with L. Bezner re: quantum of Canadian participations and U.S. exchange issues.
02/09/10	LJL	1.30	Telephone conference with SKD and customers re: status of distributions; emails and telephone conferences with L. Bezner; reviewing offer for Brampton.
02/11/10	CEC	0.60	Telephone conference re: Brampton property.
02/11/10	LJL	2.60	Reviewing and revising draft U. S. Disbursement Agreement; reviewing materials re: sales process for real estate; telephone conference with B. Kofman, L. Bezner and customers re: same; further reviewing Disbursement Agreement for U.S.
02/12/10	CEC	0.90	Review and circulate US Disbursement Agreement; email exchange with J. Latham and Richter re: Paccar letter; review email exchange re: Brampton facility.
02/12/10	KEH	1.60	Receipt of agreement of purchase and sale with respect to 38-40 Holtby property in Brampton, Ontario; briefly review same; exchange e-mails with B. Kofman and L. Bezner re: same; briefly review agreement; discussions with G. Lauzon re: property PIN to note registered agreements and in particular certificate of pending action; e-mail to working group re: same;
02/12/10	LJL	1.00	Reviewing and revising draft Disbursement Agreement; meeting with C. Costa re: same; meeting with K. Herlin and emails with B. Kofman re: offer on Brampton real estate.
02/12/10	GLL	0.30	Discussions with K. Herlin; subsearching title and obtaining copies of title instruments on Teraview.
02/16/10	CEC	0.30	Email to counsel for Paccar re: proof of claim; review email exchange re: Brampton facility.
02/16/10	KEH	2.70	Exchange of numerous e-mails with B. Kofman re: status of agreement of purchase and sale; review and revise agreement of purchase and sale; prepare riders; discussions with L. Bezner throughout day re: same; receipt of listing agreement; prepare mark-up of same for review and comment by L. Bezner;



Date	TKID	Hours	Description
02/16/10	LJL	0.80	Emails with K. Herlin and B. Kofman re: offer for Brampton; reviewing mark-ups; telephone conference with L. Bezner.
02/17/10	CEC	0.50	Discussions and email correspondence with L. Bezner and F. Hadibhai re: Amherstburgh pension; email to D. Dipierdomenico enclosing claims package.
02/17/10	LJL	0.80	Issues re: construction lien in Brampton; reviewing draft U.S. Disbursement Agreement.
02/18/10	CEC	0.30	Review draft letter re: storage of equipment; comments to L. Bezner re: same; email to L. Bezner re: life insurance entitlement for CAW members.
02/18/10	KEH	0.30	Telephone call from L. Bezner re: status of listing agreement; briefly discuss changes suggested by B. Kofman to same;
02/18/10	LJL	0.20	Reviewing U.S. Disbursement Agreement.
02/19/10	CEC	0.20	Discussions with L. Bezner re: International Machinery and Paccar; review Paccar letter.
02/22/10	CEC	0.20	Review Receiver's comments on Disbursement Agreement; e-mail exchange with J. Latham re: same.
02/22/10	KEH	1.10	Receipt of re-drafts of listing agreements from L. Bezner; briefly review same; provide comments to L. Bezner; exchange e-mails with L. Bezner re: same;
02/22/10	LJL	0.80	Reviewing draft disbursement agreement; emails with B. Kofman and L. Bezner re: same.
02/23/10	CEC	0.60	Revise and circulate Disbursement Agreement.
02/23/10	KEH	0.40	Discussions with L. Bezner re: additional disclosure request from agent and advise not in interest of receiver to execute same given limited knowledge;
02/23/10	LJL	0.80	Emails and telephone conferences with B. Kofman and L. Bezner re: disbursement agreement; emails to customers re: Comerica's comments.
02/25/10	CEC	1.50	Review Chrysler comments on Disbursement Agreement; discussion with M. Perl re: Disbursement Agreement; e-mail to J. Latham re: same; review D/O claims summary; e-mail to J. Morrison re: same.
02/25/10	LJL	0.40	Reviewing and commenting on disbursement agreement from Chrysler; meeting with C. Costa.
02/26/10	CEC	0.60	Review claims summary; e-mail correspondence with J. Morrison re: same;

Date	TKID	Hours	Description
			review comments from Chrysler re: Disbursement Agreement.
02/26/10	LJL	0.50	Reviewing comments on disbursement agreement; discussion with C. Costa re: same.

**OUR FEE** **\$24,562.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
JAS	Steele, Jana	1.90	\$695.00
KEH	Herlin, Ken	6.10	\$745.00
LJL	Latham, L. Joseph	13.60	\$765.00
CEC	Costa, Caterina	13.30	\$610.00
GLL	Lauzon, Gloria	0.30	\$380.00
WPJB	Bennett, Jayne	0.10	\$55.00
DA	Clerk, Litigation	1.10	\$55.00

**DISBURSEMENTS**

Copies	60.50
Certificate - Execution	33.00
Conference Calls	6.25
Search - Sub	49.00

**TOTAL DISBURSEMENTS** **\$148.75**

**TOTAL FEES ON THIS INVOICE** **\$24,562.00**

**GST ON FEES** **1,228.10**

NON TAXABLE DISBURSEMENTS 33.00

TAXABLE DISBURSEMENTS 115.75

**TOTAL DISBURSEMENTS ON THIS INVOICE** **\$148.75**

# Goodmans<sup>LLP</sup>

Barristers & Solicitors  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7  
Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

Invoice #536570 -- page 5

GST ON TAXABLE DISBURSEMENTS

5.79

**TOTAL THIS INVOICE (CANADIAN DOLLARS)**

**\$25,944.64**

---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS

**\$25,944.64**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER: 

E. & O. E.  
LJL

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## PAYMENT OPTIONS

Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M4H 2S7
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 536570 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***





Barristers & Solicitors

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

April 12, 2010

RSM Richter Inc.  
1100 - 200 King Street West  
PO Box 48  
Toronto, ON  
Canada M5H 3T4

ATTENTION: Robert Kofman

OUR FILE NO. RPAR 091818  
OUR INVOICE NO. 538770  
GST REGISTRATION NO. R119422962

Re: Receivership of SKD Company

---

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED  
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
03/01/10	CEC	1.20	E-mail correspondence with B. Kofman re: Disbursement Agreement; revise Disbursement Agreement per comments received from Chrysler; review proof of claim received re: wrongful dismissal; review claims summary.
03/01/10	LJL	0.80	Emails with K. Herlin re: real estate; reviewing Disbursement Agreement; emails with B. Kofman re: status; meeting with C. Costa re: same.
03/01/10	JMN	1.50	Review employee claims; review overtime and vacation pay provisions.
03/02/10	CEC	1.00	Conference call with J. Latham, B. Kofman and L. Bezner re: status of claims process, claims summary and Disbursement Agreement; e-mail correspondence with J. Morrison, S. Seigel and G. Waggot re: overtime claims.
03/02/10	LJL	0.80	Reviewing claims summary; telephone conference with B. Kofman re: status; telephone conference with C. Hill.
03/02/10	JMN	1.20	Further review of claims and email to C. Costa with respect to same; further emails from C. Costa with respect to same; responding to same.
03/03/10	CEC	0.20	Voicemail and e-mail correspondence with S. Seigel re: status of claims process; e-mails with L. Bezner re: same.
03/03/10	LJL	1.20	Reviewing summary of claims filed in D&O process; telephone conference with B. Kofman, L. Bezner and C. Costa re: same; telephone call to C. Hill re:

Date	TKID	Hours	Description
			Disbursement Agreement.
03/04/10	CEC	0.40	Review letter from Paccar re: amended proof of claim; e-mail correspondence with S. Seigel re: overtime claims filed.
03/04/10	JMN	0.10	Email from C. Costa and responding to same.
03/05/10	CEC	0.80	E-mail correspondence with S. Seigel re: overtime claims; e-mail to J. Chen re: overtime claims; meeting with L. Willis re: status of file.
03/05/10	LNW	0.50	Meet with C. Costa re: status of distribution agreements.
03/08/10	CEC	0.10	Voicemail exchange with L. Bezner re: overtime claims; review claims summary.
03/08/10	LJL	2.00	Reviewing summary of directors and officers claims; meeting with C. Costa; reviewing Disbursement Agreement; telephone calls with each of S. Weisz, C. Hill and J. Leslie re: same; reviewing US Accommodation Agreement.
03/09/10	CEC	1.60	Meeting with J. Latham re: status of matters; discussion with S. Seigel re: claims summary and disallowances; voicemail for L. Bezner re: same; voicemail for C. Colraine re: Paccar matter; review Honda comments on Disbursement Agreement; e-mail exchange with Counsel for Ready Machinery re: distributions.
03/09/10	LJL	2.80	Reviewing emails from customers re: Disbursement Agreement; reviewing summary of claims filed in directors and officers process and telephone conference with S. Seigel re: same; emails to set up telephone conference with customers re: Disbursement Agreement; reviewing prior report and agreement.
03/10/10	CEC	2.70	Conference call with Richter and Counsel for the Monitor re: Disbursement Agreement; revise and circulate same; review disallowance language from S. Seigel; e-mail correspondence with S. Seigel re: same; revise Canadian Disbursement Agreement.
03/10/10	LJL	2.30	Reviewing and revising draft Disbursement Agreement; telephone conference with customers; meeting with C. Costa and telephone conference with L. Bezner re: disallowances in directors and officers claims process; email from S. Seigel re: same and re: overtime claims.
03/10/10	JMN	0.50	Email from F. Hadibhai with respect to overtime issue; responding to same; further emails with respect to same.
03/10/10	LNW	2.00	Review materials re: Disbursement Agreement; review background materials re: status of file; teleconference with J. Latham, RSM Richter and Customers

Date	TKID	Hours	Description
			re: U.S. Distribution Agreement; meet with C. Costa re: D&O Claims process.
03/11/10	LJL	2.20	Reviewing and revising draft Disbursement Agreement; telephone conference with customers re: same; telephone conference with SKD's counsel re: same; issues re: employee claims dismissals; drafting Settlement Agreement between SKD and Receiver re: U.S. surplus proceeds.
03/12/10	LJL	2.80	Reviewing and commenting on draft Disbursement Agreement; meeting with C. Costa; reviewing and revising Settlement Agreement with SKD re: surplus U.S. proceeds; emails and telephone conferences with B. Kofman and L. Bezner re: employee claims and disallowances; overtime claims.
03/12/10	JMN	0.30	Email from J. Rasool with respect to claims.
03/15/10	LJL	1.30	Emails with S. Seigel and L. Bezner re: disallowance of claims; telephone conference with customers' counsel re: disbursement agreement; reviewing Ford's proposed language.
03/15/10	LNW	0.10	Emails with L. Bezner re: Dhana claim.
03/16/10	LJL	1.50	Reviewing and commenting on draft disbursement agreement; meeting with L. Willis re: same; emails with S. Seigel re: disallowances; telephone call with L. Bezner.
03/16/10	LNW	0.30	Meet with J. Latham re: U.S. Disbursement Agreement.
03/17/10	LJL	2.20	Reviewing and revising draft disbursement agreement; meeting with L. Willis re: same; issues re: employee claim.
03/17/10	LNW	2.50	Revise U.S. Distribution Agreement re: Chrysler comments; correspondence with J. Latham re: same; e-mail to customers re: same.
03/18/10	KEH	0.10	Receipt of e-mail from J. Latham re: status of real estate deal;
03/18/10	LJL	1.50	Reviewing and commenting on draft disbursement agreement and draft settlement agreement; emails with S. Seigel re: WEPPA claim.
03/19/10	KEH	0.30	Exchange e-mails with L. Bezner re: need to include references to provincial sales tax;
03/19/10	LJL	1.40	Reviewing comments from customers on Disbursement Agreement and emails re: real estate recommendations; emails with S. Seigel re: WEPPA claim; emails with L. Bezner re: same.
03/22/10	KEH	0.30	Discussions with L. Bezner re: provincial sales tax and HST concerns;
03/22/10	LJL	1.60	Emails with R. McDowell re: forbearance agreement; emails with customers re: Disbursement Agreement; email with B. Kofman and L. Bezner re: same



Date	TKID	Hours	Description
			and re: claims disclosures.
03/24/10	LJL	2.60	Reviewing and revising draft settlement agreement and US disbursement agreement; emails and telephone call with B. Kofman and L. Bezner re: same and issues re: requested forbearance; reviewing draft forbearance agreement.
03/24/10	LNW	0.30	Meet with J. Latham re: disbursement and Settlement Agreements.
03/25/10	LJL	3.30	Reviewing and revising drafts of both U.S. and Canadian Disbursement Agreements and of Settlement Agreement with U.S. estate; emails and telephone calls with L. Willis and B. Kofman re: same; emails with customers re: forbearance status.
03/25/10	STL	0.70	Reviewing SKD Automotive Group materials to find applicable documents as requested by L. Willis.
03/25/10	LNW	1.10	Revise Settlement Agreement and U.S. Disbursement Agreement; e-mails with J. Latham re: same.
03/26/10	LJL	3.30	Reviewing and revising draft disbursement agreements and draft settlement agreement; telephone conference with R. McDowell re: forbearance agreement.
03/29/10	LJL	1.40	Multiple emails and telephone conferences re: distribution and settlement agreement; telephone conference with M. Perl re: forbearance agreement; emails with L. Benzer re: disallowance of claims.
03/29/10	JAS	0.20	E-mailing correspondence; reviewing correspondence from FSCO.
03/30/10	LJL	0.40	Emails with customers re: distribution agreements; emails with L. Bezner re: disallowances.
03/31/10	LJL	1.00	Emails with Chrysler's counsel re: comments on distributions; emails with B. Kofman and L. Bezner re: interest allocation; enquiring re: real estate.
03/31/10	LNW	0.10	Revise Disbursement Agreements re: comments from Chrysler.

**OUR FEE**

**\$38,949.00**

**TIMEKEEPER SUMMARY**

TKID	NAME	HOURS	RATE
JAS	Steele, Jana	0.20	\$695.00
KEH	Herlin, Ken	0.70	\$745.00

TKID	NAME	HOURS	RATE
LJL	Latham, L. Joseph	36.40	\$765.00
CEC	Costa, Caterina	8.00	\$610.00
JMN	Morrison, Joe	3.60	\$590.00
LNW	Willis, Logan	6.90	\$475.00
STL	Teal, Steven	0.70	\$230.00

## DISBURSEMENTS

Telephone - Long Distance	10.48
Copies	295.50
Telephone - Cellular Phone Charges	1.40
Conference Calls	38.04

**TOTAL DISBURSEMENTS** **\$345.42**

TOTAL FEES ON THIS INVOICE \$38,949.00

GST ON FEES 1,947.45

NON TAXABLE DISBURSEMENTS 0.00

TAXABLE DISBURSEMENTS 345.42

TOTAL DISBURSEMENTS ON THIS INVOICE \$345.42

GST ON TAXABLE DISBURSEMENTS 17.27

**TOTAL THIS INVOICE (CANADIAN DOLLARS)** **\$41,259.14**

## ACCOUNTS RECEIVABLE

DATE	NUMBER	INVOICE AMT	TOTAL PAID/CR	BALANCE DUE
03/04/10	536570	\$25,944.64	\$0.00	\$25,944.64

**TOTAL OUTSTANDING INVOICES (IN CDN)** **\$25,944.64**

Goodmans<sup>LLP</sup>

Barristers & Solicitors

Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211  
Facsimile: 416.979.1234  
goodmans.ca

Invoice #538770 -- page 6

---

TOTAL AMOUNT DUE IN CANADIAN DOLLARS

**\$67,203.78**

THIS IS OUR ACCOUNT HEREIN  
GOODMANS LLP

PER: 

E. & C. E.

LJL

This invoice is payable upon receipt. In accordance with Section 33 of the Solicitors Act (Ontario) interest will be charged at the rate of 0.50% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

## PAYMENT OPTIONS

Cheque payable to GOODMANS LLP - mailed to our office; OR  
by Wire Transfer - to Goodmans account:

### Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	0004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Joseph Latham, Matter # 091818, Invoice # 538770 (Please include all invoice numbers)

***\*\*Please also email Wire Payment Details to: [collections@goodmans.ca](mailto:collections@goodmans.ca)***

Matter: 091818  
 Client: %  
 Group: %

**Goodmans LLP**  
**Invoice Register**

Invoice Date From: 1/1/2009 To: 4/15/2010

4/15/2010

Invoice	Matter	Client	Client Name	Date	Fees	Cost	Other	Total
522679	091818	RPAR	RSM Richter Inc.	7/9/2009	18,620.00	112.40	936.62	19,669.02
		PAID:		7/16/2009	18,620.00	112.40	936.62	19,669.02
		BALANCE:			0.00	0.00	0.00	0.00
524619	091818	RPAR	RSM Richter Inc.	8/12/2009	11,955.50	171.28	604.34	12,731.12
		PAID:		8/21/2009	11,955.50	171.28	604.34	12,731.12
		BALANCE:			0.00	0.00	0.00	0.00
526230	091818	RPAR	RSM Richter Inc.	9/9/2009	20,740.50	65.00	1,040.28	21,845.78
		PAID:		9/24/2009	20,740.50	65.00	1,040.28	21,845.78
		BALANCE:			0.00	0.00	0.00	0.00
528036	091818	RPAR	RSM Richter Inc.	10/9/2009	23,226.00	49.48	1,163.37	24,438.85
		PAID:		11/13/2009	23,226.00	49.48	1,163.37	24,438.85
		BALANCE:			0.00	0.00	0.00	0.00
529541	091818	RPAR	RSM Richter Inc.	11/4/2009	36,891.50	234.78	1,849.97	38,976.25
		PAID:		11/13/2009	36,891.50	234.78	1,849.97	38,976.25
		BALANCE:			0.00	0.00	0.00	0.00
531858	091818	RPAR	RSM Richter Inc.	12/9/2009	35,359.50	596.73	1,788.82	37,745.05
		PAID:		12/18/2009	35,359.50	596.73	1,788.82	37,745.05
		BALANCE:			0.00	0.00	0.00	0.00
533289	091818	RPAR	RSM Richter Inc.	1/7/2010	8,515.00	50.11	428.26	8,993.37
		PAID:		1/12/2010	8,515.00	50.11	428.26	8,993.37
		BALANCE:			0.00	0.00	0.00	0.00
534941	091818	RPAR	RSM Richter Inc.	2/4/2010	12,008.00	6.95	600.75	12,615.70
		PAID:		2/11/2010	12,008.00	6.95	600.75	12,615.70
		BALANCE:			0.00	0.00	0.00	0.00
536570	091818	RPAR	RSM Richter Inc.	3/4/2010	24,562.00	148.75	1,233.89	25,944.64
		BALANCE:						
538770	091818	RPAR	RSM Richter Inc.	4/12/2010	38,949.00	345.42	1,964.72	41,259.14
		BALANCE:						
<b>GRAND TOTAL</b>					<b>167,316.00</b>	<b>1,286.73</b>	<b>8,412.41</b>	<b>177,015.14</b>
<b>TOTAL PAYMENTS RECEIVED:</b>					<b>167,316.00</b>	<b>1,286.73</b>	<b>8,412.41</b>	<b>177,015.14</b>
<b>BALANCE OUTSTANDING:</b>					<b>63,511.00</b>	<b>494.17</b>	<b>3,198.61</b>	<b>67,203.78</b>

**Invoice History**



**Client Number** RPAR                      **Client Name** RSM Richter Inc.  
**Matter Number** 091818                    **Matter Desc.** Receivership of SKD Company

Type	Description	Invoice	Date	Fees	Costs	Other	Tax	Interest	Total
BILL	BILL	[REDACTED]	7/9/2009	18,620.00	112.40	0.00	936.62	0.00	19,669.02
	P01-TD								
PTDCD01	BANK CAD	48	7/16/2009	(18,620.00)	(112.40)	0.00	(936.62)	0.00	(19,669.02)
Total	Total	<u>522679</u>	7/9/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	8/12/2009	11,955.50	171.28	0.00	604.34	0.00	12,731.12
	P01-TD								
PTDCD01	BANK CAD	84	8/21/2009	(11,955.50)	(171.28)	0.00	(604.34)	0.00	(12,731.12)
Total	Total	<u>524619</u>	8/12/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	9/9/2009	20,740.50	65.00	0.00	1,040.28	0.00	21,845.78
	P01-TD								
PTDCD01	BANK CAD	122	9/24/2009	(20,740.50)	(65.00)	0.00	(1,040.28)	0.00	(21,845.78)
Total	Total	<u>526230</u>	9/9/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	10/9/2009	23,226.00	49.48	0.00	1,163.37	0.00	24,438.85
	P01-TD								
PTDCD01	BANK CAD	177	11/13/2009	(23,226.00)	(49.48)	0.00	(1,163.37)	0.00	(24,438.85)
Total	Total	<u>528036</u>	10/9/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	11/4/2009	36,891.50	234.78	0.00	1,849.97	0.00	38,976.25
	P01-TD								
PTDCD01	BANK CAD	177	11/13/2009	(36,891.50)	(234.78)	0.00	(1,849.97)	0.00	(38,976.25)
Total	Total	<u>529541</u>	11/4/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	12/9/2009	35,359.50	596.73	0.00	1,788.82	0.00	37,745.05
	P01-TD								
PTDCD01	BANK CAD	226	12/18/2009	(35,359.50)	(596.73)	0.00	(1,788.82)	0.00	(37,745.05)
Total	Total	<u>531858</u>	12/9/2009	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	1/7/2010	8,515.00	50.11	0.00	428.26	0.00	8,993.37
	P01-TD								
PTDCD01	BANK CAD	243	1/12/2010	(8,515.00)	(50.11)	0.00	(428.26)	0.00	(8,993.37)
Total	Total	<u>533289</u>	1/7/2010	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	2/4/2010	12,008.00	6.95	0.00	600.75	0.00	12,615.70
	P01-TD								
PTDCD01	BANK CAD	277	2/11/2010	(12,008.00)	(6.95)	0.00	(600.75)	0.00	(12,615.70)
Total	Total	<u>534941</u>	2/4/2010	0.00	0.00	0.00	0.00	0.00	0.00
BILL	BILL	[REDACTED]	3/4/2010	24,562.00	148.75	0.00	1,233.89	0.00	25,944.64
BILL	BILL CXL	[REDACTED]	4/9/2010	40,249.50	345.42	0.00	2,029.75	0.00	42,624.67
GRAND TOTAL	GRAND TOTAL	<sup>now</sup> <u>538770</u>		64,811.50	494.17	0.00	3,263.64	0.00	68,569.31

This is Exhibit "B" referred to in the affidavit of L. Joseph Latham sworn before me, this 19<sup>th</sup> day of April 20 10

**RSM RICHTER INC.**  
**RECEIVERSHIP OF SKD COMPANY**  
**JULY 9, 2009 – APRIL 12, 2010**

Staff Member	Title	Total Hours	Rate (\$CDN)	Amount Billed
Glenn Ernst	Partner	0.4	\$800.00	\$320.00
Joseph Latham	Partner	146.5	\$757.50	\$110,748.00
Thomas Macdonald	Partner	6.1	\$765.00	\$4,666.50
Ken Herlin	Partner	34.2	\$732.50	\$24,814.00
Jana Steele	Partner	3.4	\$695.00	\$2,363.00
Peter Ruby	Partner	1.6	\$765.00	\$1,024.00
Joseph Cosentino	Partner	1.2	\$620.00	\$744.00
Caterina Costa	Associate	112.2	\$602.50	\$67,171.50
Joseph Morrison	Associate	15.5	\$577.50	\$8,905.00
Logan Willis	Associate	6.9	\$475.00	\$3,277.50
Gloria Lauzon	Clerk	1.3	\$377.50	\$489.00
John Uhren	Associate	6.5	\$375.00	\$2,437.50
Heather Wilson	Clerk	0.6	\$365.00	\$219.00
Maureen Buckley	Clerk	0.8	\$365.00	\$292.00
Paula MacDonald	Clerk	4.4	\$235.00	\$1,034.00
Caroline Descours	Articling Student	1	\$230.00	\$230.00
Steven Teal	Articling Student	0.7	\$230.00	\$161.00
Alexander Sarabura	Articling Student	3.8	\$210.00	\$798.00
Litigation Clerk	Corporate Clerk	13.1	\$55.00	\$720.50
Word Processing	Word Processing	7.5	\$55.00	\$412.50
<b>Total Fees (excludes expenses and GST)</b>		367.7	<b>Average hourly rate \$488.40</b>	\$230,827.00

\*Rates indicate an average rate across accounts rendered.

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF L. JOSEPH LATHAM**

**GOODMANS LLP**  
Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Fred Myers (LSUC#26301A)  
L. Joseph Latham LSUC (#32326A)  
Logan Willis (LSUC# 53894K)  
Tel: 416-979-2211  
Fax: 416-979-1234

Lawyers for the Receiver



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**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**MOTION RECORD**  
(returnable April 29, 2010)

**GOODMANS LLP**

Barristers & Solicitors

250 Yonge Street, Suite 2400

Toronto, Canada M5B 2M6

Fred Myers (LSUC #26310A)

L. Joseph Latham (LSUC #32326A)

Logan Willis (LSUC #53894K)

Tel: 416-979-2211

Fax: 416-979-1234

Lawyers for the Applicant