

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

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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 Customers¹, 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;

¹ 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.

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 unsecured² 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.

² 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 follows³:

- 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;

³ 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 ⁴	Amount ⁵ (\$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

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

⁵ 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 disputes⁶ 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.

⁶ 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
			2,019

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) ⁷
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

⁷ 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"⁸. 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.

⁸ 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 ⁹	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

⁹ 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.¹⁰

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 indicted 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

¹⁰ 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;

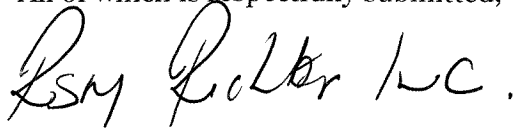
- Disbursing funds from the post-receivership bank accounts in satisfaction of obligations incurred during the receivership period;
- Dealing with employee claims under the *Wage Earner Protection Program Act*;
- Responding to creditors and former employees regarding these proceedings;
- Corresponding 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**

Court File No. 09-CL-7960

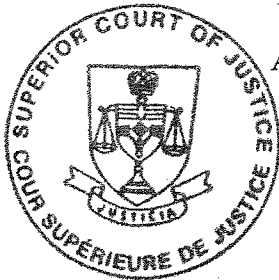
**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 11TH
)
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

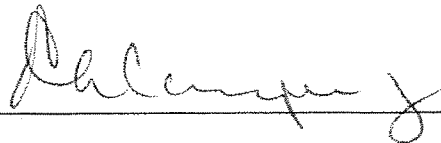
24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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.



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LE / DANS LE REGISTRE NO.:

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PER / PAR: 

Court File No.: 09-CL-7960

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

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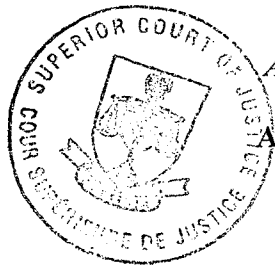
Lawyers for Chrysler LLC, Chrysler Motors
LLC and Chrysler Canada Inc.

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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 "CCAA") 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 counterparties, 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.

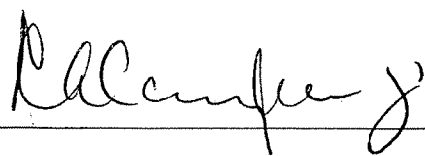
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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.



A handwritten signature in cursive script, appearing to read "R. Campbell", is written above a horizontal line.

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
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E-mail: jcontini@langmichener.ca

Fax: (416) 365-1719

Lawyers for the Applicants



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



BUYER Boutin Holdings Limited agrees to purchase from SELLER 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 and not in its personal capacity the following

REAL PROPERTY: Address 40 Holtby Avenue fronting on the side of 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")

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"))

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

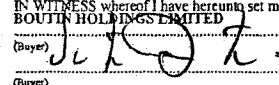
SCHEDULE(S) A attached hereto form(s) part of this agreement.

- 1. CHATTELS 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 6th day of April, 2010
5. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 30th day of April, 2010
6. NOTICES: Seller hereby appoints the Listing Broker as Agent for the purpose of giving and receiving notices pursuant to this Agreement.
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.
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 is present use.
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 encumbrances 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.
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 such as are 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 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.

Handwritten initials and a signature.

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. **LEAD:** 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:
 BOUJIN HOLDINGS LIMITED
 (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 BKD Company, including each of its general partners, NMC Canada Inc. and 2515080 Nova Scotia Company and not in its personal capacity
 (Witness) (Seller) (Seal) DATE: February 16, 2010
 (Witness) (Buyer) (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 or incidental 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

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
 Name of Listing Broker: CB Richard Ellis Limited
 () ()
 Tel No. () FAX No. ()

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
 Name of Co-operating Broker: Colliers Macaulay Nicolls (Ontario) Inc.
 () ()
 Tel No. () FAX No. ()

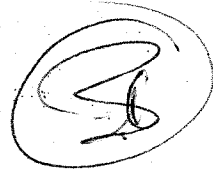
ACKNOWLEDGEMENT

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.
 (Seller) DATE April, 2010
 (Seller) DATE
 Address for Service: Tel No. ()
 Seller's Lawyer: Goodmans LLP, Attn: Joseph Latham
 Address: 2400-250 Yonge Street, Toronto, Ontario M5B 2M6
 (416) 597-4211 (416) 579-1234
 Tel No. () FAX No. ()

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.
 (Buyer) DATE April, 2010
 (Buyer) DATE
 Address for Service: Tel No. ()
 Buyer's Lawyer: Bicom Lamy's Professional Corporation, Attn: Barbara Lamy
 Address: 2171 Avenue Road, Suite 200, Toronto, Ontario M5M 4B4
 (416) 486-9913 (416) 485-6054
 Tel No. () FAX No. ()

FOR OFFICE USE ONLY	COMMISSION TRUST AGREEMENT
To: Co-operating Broker shown 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.	
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.	Acknowledged by:
CB Richard Ellis Limited	Colliers Macaulay Nicolls (Ontario) Inc.
Signature of Listing Broker or authorized representative	Signature of Co-operating Broker or authorized representative

US832445.2



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;

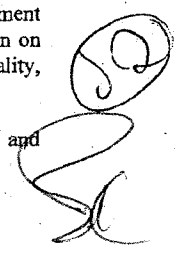
"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**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 I 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

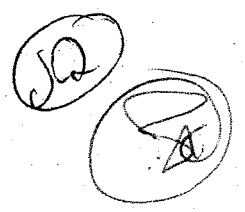
On or before Closing, subject to the provisions of this Agreement, the Seller shall deliver or cause to be delivered to the Buyer the following:

- (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, likely 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

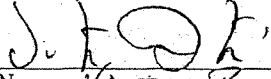
Each of the parties hereto acknowledges and agrees that, for the purposes of all references to the Agreement of Purchase and Sale for the Property, the date of said Agreement shall be deemed to be April 6, 2010. The parties are executing the attached Agreement and this Schedule solely for the purpose 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.

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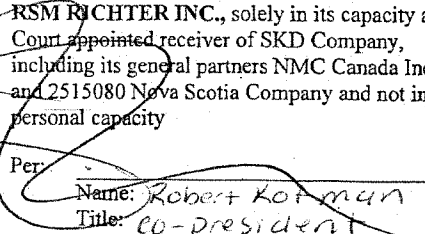
This Schedule is dated with effect as of April 6, 2010.

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: _____



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

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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 customers¹ 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.

¹ 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.

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 Order². 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.

² The Receivership Order also preserved the priority of the Administration Charge established by the Initial Order.

The following is an overview of the Claims Procedure³:

- 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.

³ 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 Participations⁴, 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")

⁴ 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 25th 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) ⁵
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.

⁵ 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"⁶. 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.

⁶ 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	<u>14,100</u>

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 assets⁷ and administer a bankruptcy, as detailed below.

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

⁷ 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.

⁸ 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

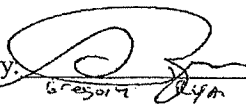
20. Participants acknowledge that they have reviewed (or have had the opportunity to review) this Agreement with counsel of their choice and have executed this Agreement of their own free will and accord and without duress or coercion of any kind by Lender or any other person or entity.

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

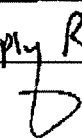
By: _____

Its: _____

PARTICIPANTS:

GENERAL MOTORS CORPORATION

By: 

Its: Director, Supply Risk Mgt.


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 ^{1/21/02}

Its: Purchasing manager

CHRYSLER LLC

YAK

By: *Jan A. Bertel*
Its: *SVP, Treasurer & CIO*

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

By: _____
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: _____

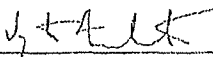
Each of undersigned consents and agrees to all terms and conditions of the foregoing Subordinated Participation Agreement. In addition, each of the undersigned Guarantors consents to the foregoing and acknowledges and agrees that: (i) the Loan Documents, this Agreement, and every other document executed 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

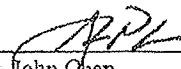
By: 

Vytas Ambutas

Its: Secretary

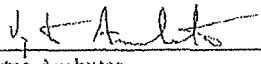
SKD COMPANY

By: 2515080 Nova Scotia Company
Its: General Partner

By: 
John Chen
Its: Vice President

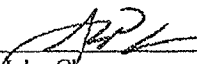
"GUARANTORS"

NMC CANADA INC.

By: 
Vytas Ambutas
Its: Secretary

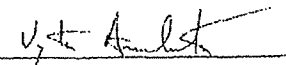
SKD HOLDING, L.P.

By: SKD Holding, Inc.
Its: General Partner

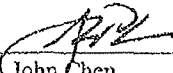
By: 
John Chen
Its: Vice President/Treasurer

SKD, L.P.

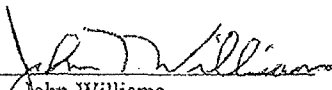
By: Quincy Holdings, Inc.
Its: General Partner

By: 
Vytas Ambutas
Its: Secretary

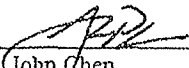
2515080 NOVA SCOTIA COMPANY

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

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

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

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

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**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

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

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.

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

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

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

TO:	RSM RICHTER INC., as disbursing agent (the “Disbursing Agent”)
SUBJECT:	FINAL DISTRIBUTION ON ACCOUNT OF U.S. PARTICIPATIONS

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

TO:	RSM RICHTER INC., as disbursing agent (the “Disbursing Agent”)
SUBJECT:	DISTRIBUTION TO SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP

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

TO:	RSM RICHTER INC., as disbursing agent (the “Disbursing Agent”)
SUBJECT:	FINAL DISTRIBUTION IN RESPECT OF [APPLICABLE UNRESOLVED CLAIM]

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.

SCHEDULE E

CHART OF UNRESOLVED CLAIMS

[To be attached]