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**Fifth Report of  
Duff & Phelps Canada  
Restructuring Inc.  
as Court-Appointed Receiver of  
NMC Canada, Inc., 2515080 Nova  
Scotia Company and SKD  
Company**

July 5, 2013

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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

FIFTH REPORT OF  
DUFF & PHELPS CANADA RESTRUCTURING INC.  
AS COURT-APPOINTED RECEIVER OF  
NMC CANADA, INC., 2515080 NOVA SCOTIA COMPANY  
AND SKD COMPANY

July 5, 2013

## 1.0 Introduction

1. Pursuant to an order ("Initial Order") of the Ontario Superior Court of Justice (Commercial List) ("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 Monitor. A copy of the Initial Order is attached as Appendix "A".
2. On June 11, 2009, the Court issued an order amending the Initial Order, placing the Company in receivership and appointing Richter as Receiver ("Receiver") of the Company's property, assets and undertaking ("Receivership Order"). A copy of the Receivership Order is attached as Appendix "B".
3. On April 29, 2010, an order of the Court was made authorizing the Receiver to place NMC, 2515 and SKD into bankruptcy. On January 11, 2011, SKD was placed into bankruptcy and Richter was appointed as trustee in bankruptcy ("Trustee").
4. On May 26, 2011, NMC and 2515 were each placed into bankruptcy and Richter was appointed as trustee in bankruptcy of each of NMC and 2515.

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5. Pursuant to a Court order made on December 12, 2011 (“Substitution Order”), Duff & Phelps Canada Restructuring Inc. (“D&P”) was substituted in place of Richter as Receiver<sup>1</sup> as a result of D&P’s acquisition of the Toronto restructuring practice of Richter.

## **1.1 Purposes of this Report**

1. The purposes of this report (“Report”) are to:
  - a) Provide background information about the Company and these proceedings;
  - b) Advise the Court of an unresolved dispute between the Receiver and Chrysler Group LLC (“Chrysler”) regarding approximately US\$828,000 being held in a trust account (“Chrysler Trust Account”) by the Receiver, pending resolution of certain issues that arose between the Company and Chrysler during the CCAA proceedings (“Chrysler Dispute”);
  - c) Seek directions from the Court regarding a proposed resolution of the Chrysler Dispute; and
  - d) Recommend that the Court issue an order:
    - Directing the Receiver to distribute from the Chrysler Trust Account US\$318,703 to Chrysler and US\$511,669 to SKD’s estate; and
    - Approving the Receiver’s activities as set out in this Report.

## **1.2 Currency**

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

## **1.3 Qualifications**

1. In preparing this Report, the Receiver has relied on the Company’s books and records, including information assembled by, and analyses performed by, Company employees and advisors. The Receiver has not performed an audit or other verification of such information.

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<sup>1</sup> On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by D&P. Pursuant to the Substitution Order, D&P was substituted in place of Richter in certain ongoing mandates, including acting as Receiver in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to December 9, 2011 remain unchanged.

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## 2.0 Background

1. NMC and 2515 are the general partners of SKD. The only assets and liabilities of NMC and 2515 relate to SKD.
2. NMC and 2515 own 1% and 99% of SKD, respectively.
3. 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".)
4. The SKD Group was primarily a tier-one supplier of stampings and welded assemblies to the North American automotive industry.
5. Additional information concerning the Company and these proceedings is available in the various reports to Court and the motion materials filed by the Monitor, the Receiver and the trustee in bankruptcy in the CCAA, receivership and bankruptcy proceedings, respectively. Copies of these materials can be found on D&P's website at [www.duffandphelps.ca](http://www.duffandphelps.ca).

## 3.0 Chrysler Dispute

1. The Chrysler Trust Account was established in the CCAA proceedings to hold funds deposited by Chrysler pending resolution of certain unresolved issues between SKD and Chrysler arising from a settlement reached in May, 2009, between SKD and Chrysler. The settlement enabled Chrysler to remove its inventory and tooling that was in the possession of SKD at that time. The Chrysler Trust Account was initially under the control of Richter as Monitor. The Chrysler Trust Account is now under the control of the Receiver.
2. The events leading to the establishment of the Chrysler Trust Account are summarized as follows:
  - In early 2009, the Company's operations were being discontinued and Chrysler was in the process of resourcing the services provided to it by SKD. SKD was in possession of certain inventory and tooling in which Chrysler had an interest. Chrysler was indebted to SKD at that time.

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- On May 15, 2009, to effect its resourcing without disruption, Chrysler paid US\$3.174 million to the Chrysler Trust Account. Of that amount, US\$77,000 related to May, 2009 operating costs funded by Chrysler, with the balance relating to various other obligations, or potential obligations of Chrysler, as detailed in the chart included in section 3.1 below.
  - On May 19, 2009, Chrysler agreed to, and authorized the release to the Monitor of, US\$2.269 million from the Chrysler Trust Account to pay various amounts owing to SKD ("Settlement Amounts"). The Settlement Amounts related primarily to accounts receivable due to SKD and additional inventory purchases. It was not contemplated that any of these monies would be refundable to Chrysler.
  - After payment to the Monitor of the Settlement Amounts, US\$827,794 remained in the Chrysler Trust Account. The Settlement Amounts were transferred by the Monitor to SKD.
  - As at April 21, 2013, there was approximately US\$830,372 in the Chrysler Trust Account, inclusive of interest.
3. Over the last few years, the Receiver has on a number of occasions contacted Chrysler through its counsel in an effort to resolve the outstanding issues so that the funds could be released from the Chrysler Trust Account. The Receiver has recommended on a without prejudice basis to Chrysler how these monies should be allocated between Chrysler and the Receiver.
  4. The majority of the funds in dispute (approximately \$468,000) relate to the interpretation of the language in section 2.6 of an accommodation agreement, entered into among Chrysler, Ford Motor Company ("Ford") and Honda Mfg., a division of Honda Canada Inc. ("Honda") ("Chrysler, Ford and Honda are collectively referred to as the "Customers") and the Company, dated January 21, 2009, as amended from time to time (the "Accommodation Agreement"). Section 2.6 of the Accommodation Agreement limits Customer set-off rights. Additional details regarding this set-off dispute are included in section 3.1 below. A copy of the Accommodation Agreement is attached as Appendix "C".
  5. On November 29, 2012, the Receiver sent a letter to Chrysler's counsel outlining the Receiver's proposed offer to settle the outstanding issues. No response was received from Chrysler.
  6. On June 19, 2013, the Receiver provided Chrysler's counsel with draft materials in respect of this motion, in an effort to resolve this matter without the need for a motion. The Receiver has delayed filing these materials on several occasions. The Receiver has yet to hear from Chrysler with respect to this motion.

7. Given the length of time that these issues have remained unresolved, and the Receiver's desire to complete the receivership proceedings, the Receiver is seeking this Honourable Court's direction regarding the distribution of the funds from the Chrysler Trust Account. If the relief requested is granted, the Receiver proposes to transfer the estate funds from the Chrysler Trust Account to SKD's bankruptcy estate for distribution by the Trustee to SKD's unsecured creditors; SKD's secured creditors have been paid in full.

### 3.1 Proposed Allocation of Funds

1. The balance in the Chrysler Trust Account is comprised of the amounts set out in column C in the chart below, plus approximately US\$2,577 of interest. The allocations provided in columns A, B and C are based on schedules provided to the Monitor on May 19 and 26, 2009, by BBK Ltd., Chrysler's financial advisor. Copies of those schedules are attached as Appendix "D".

	Total (A)	Payment (B)	Balance (C)	Proposed Reimbursement to Chrysler (D)	Proposed Payment to Receiver (E)	Notes
Undisputed Amounts						
Undisputed payables	901,440	913,530	(12,090)	(12,090)	-	a
Undisputed steel contras	(143,353)	(145,276)	1,923	1,923	-	a
Net undisputed payables	758,087	768,254	(10,167)	(10,167)	-	
Disputed Amounts						
Pricing differences	680	-	680	340	340	b
Missing parts bank invoices	61,704	59,405	2,299	1,150	1,150	b
Missing invoices – recent	1,304,557	1,255,951	48,606	24,303	24,303	b
Setoff limitation	467,493	-	467,493	-	467,493	c
Credit/debit memos	(39,842)	(38,357)	(1,484)	(742)	(742)	b
Steel contras	(212,992)	(205,056)	(7,936)	(3,968)	(3,968)	b
Net disputed payables	1,581,600	1,071,943	509,658	21,082	488,576	
Inventory to be purchased						
MOPAR inventory	315,298	-	315,298	293,793	21,505	d
Brampton finished goods inventory	373,604	359,684	13,920	13,920	-	e
Brampton prototype parts	68,189	69,103	(915)	(915)	-	a
Total inventory	757,091	428,787	328,304	306,799	21,505	
Subtotal	3,096,778	2,268,984	827,794	317,714	510,081	
May funding	77,000	77,000	-	-	-	
Interest	-	-	-	989	1,588	
Total	3,173,778	2,345,984	827,794	318,703	511,669	

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2. The Receiver's recommended treatment for each unresolved item in the table above is as follows:
- a. Chrysler funded the payment in US dollars. As a result of foreign exchange fluctuations, Chrysler underpaid SKD by US\$12,090; this amount should be paid to the estate.
  - b. These amounts, which relate to pricing differences, missing parts bank invoices and other missing invoices have not been reconciled but are immaterial. The cost to reconcile each item would likely outweigh the benefit to either Chrysler or the Receiver; accordingly, the Receiver recommends that these amounts be shared equally by Chrysler and SKD's estate.
  - c. Based on the Receiver's interpretation of section 2.6 of the Accommodation Agreement, the Customers are entitled to set off up to 5% of the paid amount of any invoice issued to them by SKD in respect of Allowed Setoffs<sup>2</sup> and Professional Fee Setoffs<sup>3</sup>. It is the Receiver's interpretation that the "paid amount" means the amount invoiced for goods purchased, less credits and *steel contras* [emphasis added]. Chrysler applied the 5% setoff against the invoiced amount, net of credits, but prior to the application of the steel contras. The effect of this is that the aggregate amounts which Chrysler applied on account of Allowed Setoffs and Professional Fee Setoffs exceeded by US\$468,000 the amount to which the Receiver believes Chrysler is entitled. It is the Receiver's position that Chrysler's interpretation is incorrect, and that this amount should be paid to the estate pursuant to the terms of the Accommodation Agreement. Throughout the CCAA proceedings until the cessation of SKD's operations, Ford and General Motors<sup>4</sup> interpreted this provision in a manner consistent with the Receiver's interpretation. Honda originally applied the 5% setoff in accordance with the Receiver's interpretation of "paid amount"; however, on learning of Chrysler's interpretation of this provision it amended its calculation.

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<sup>2</sup> "Allowed Setoffs" means setoffs, recoupments or deductions for nonconforming products, quality problems, unordered or unreleased parts returned to the Company, short shipments, misshipments, premium freight charges (not caused by the Customer), incorrect invoices, mispricing, duplicate payments or billing errors, but excluding any special, incidental or consequential damages.

<sup>3</sup> "Professional Fee Setoffs" means the actual and documented professional fees incurred by the Customers relating to the Company.

<sup>4</sup> General Motors was not a party to the Accommodation Agreement; however, it was a party to the accommodation agreement entered into between SKD L.P. and certain customers of the US operations, which had similar terms to the Accommodation Agreement. At the commencement of the CCAA proceedings General Motors purchased inventory from the Company and applied the setoffs referred to in section 2.6 of the Accommodation Agreement in accordance with the Receiver's interpretation of that section.



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- d. MOPAR refers to service part inventory that SKD maintained for Chrysler. At the time the Chrysler Trust Account was established, approximately US\$315,000 was funded by Chrysler in respect of the Chrysler MOPAR inventory reflected on the Company's books and records. Chrysler ultimately purchased MOPAR inventory with a total value of US\$21,505, which remains unpaid. Accordingly, the SKD estate should receive the amount of US\$21,505 in respect of the purchased MOPAR inventory and the balance, US\$293,793, should be paid to Chrysler.
  - e. At the time the Chrysler Trust Account was established, approximately US\$374,000 was funded by Chrysler for Chrysler finished goods inventory reflected on the Company's books and records. Actual finished goods purchased by Chrysler (approximately US\$360,000) were less than the estimated finished goods available for purchase (approximately \$374,000); accordingly, the balance of funds allocable to this inventory, being US\$13,920, should be paid to Chrysler.
2. Based on the analysis set out above, the Receiver is of the view that US\$318,703 should be paid to Chrysler from the Chrysler Trust Account and the balance in the account, being US\$511,669, should be paid to SKD's estate.

#### 4.0 Recommendation

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

\* \* \*

All of which is respectfully submitted,

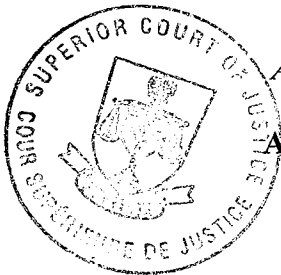
*Duff & Phelps Canada Restructuring Inc.*

**DUFF & PHELPS CANADA RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
SKD COMPANY, NMC CANADA INC. AND 2515080 NOVA SCOTIA COMPANY  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

**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.

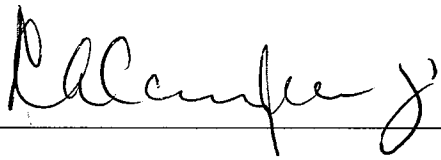
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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.



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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**

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

---

**INITIAL ORDER**

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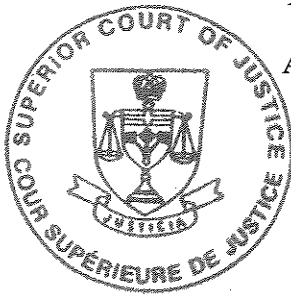
## **Appendix “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

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



Applicants

**ORDER**

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

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



## **SERVICE**

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

## **APPOINTMENT**

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

## **RECEIVER'S POWERS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

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

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

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

## **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

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

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

## **EMPLOYEES**

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

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

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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



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

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

### **RECEIVER'S ACCOUNTS**

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

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

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

### **CCAA ORDER**

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

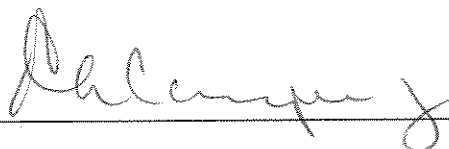
22. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended to delete, effective as of the date hereof, paragraphs 3, 4, 5, 7, 10, 13, 14, 15, 16, 21, 28(d), 28(g), 28(h), 28(i), 28(l), 28(p), 36(a), 43, 44, 49, 51 and 55 , and to delete, effective as of the date hereof,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

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

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

**GENERAL**

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
28. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

JUN 11 2009

PER / PAR: 

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* R,S,C, 1985, c.C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NMC CANADA , INC. and  
515080 NOVA SCOTIA COMPANY.**

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

**ORDER**

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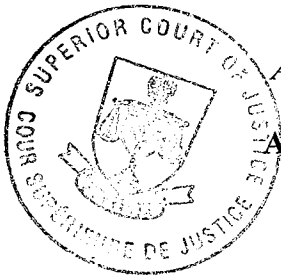
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Lawyers for Chrysler LLC, Chrysler Motors  
LLC and Chrysler Canada Inc.

## **Appendix “A”**

**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.

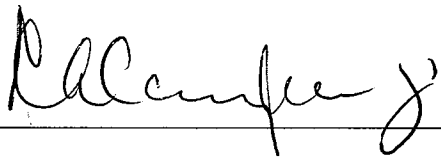
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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.



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LE / DANS LE REGISTRE NO.:

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**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

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

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**INITIAL ORDER**

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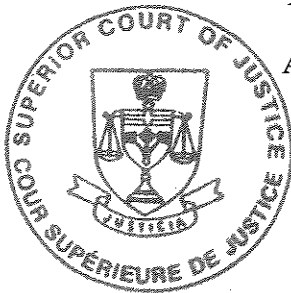
## **Appendix “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

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

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



Applicants

**ORDER**

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

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

## **SERVICE**

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

## **APPOINTMENT**

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

## **RECEIVER'S POWERS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

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

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

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

## **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

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

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

## **EMPLOYEES**

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

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

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

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

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

### **RECEIVER'S ACCOUNTS**

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

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

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

### **CCAA ORDER**

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

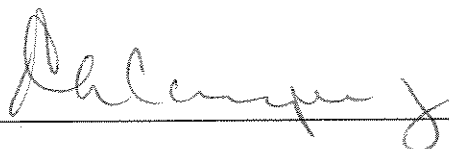
22. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended to delete, effective as of the date hereof, paragraphs 3, 4, 5, 7, 10, 13, 14, 15, 16, 21, 28(d), 28(g), 28(h), 28(i), 28(l), 28(p), 36(a), 43, 44, 49, 51 and 55 , and to delete, effective as of the date hereof,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

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

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

**GENERAL**

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
28. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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LE / DANS LE REGISTRE NO.:

JUN 11 2009

PER / PAR: 

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* R,S,C, 1985, c.C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NMC CANADA , INC. and  
515080 NOVA SCOTIA COMPANY.**

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

**ORDER**

**BORDEN LADNER GERVAIS LLP**  
Barristers and Solicitors  
Scotia Plaza, 40 King Street West  
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Lawyers for Chrysler LLC, Chrysler Motors  
LLC and Chrysler Canada Inc.

## **Appendix “C”**



## ACCOMMODATION AGREEMENT

This Accommodation Agreement (this "Agreement"), by and among SKD Company ("Supplier"), Ford Motor Company ("Ford"), Chrysler Canada Inc. ("Chrysler Canada"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC (together with Chrysler Canada, "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") (collectively, the "Customers") and Comerica Bank ("Comerica"), is entered into on January 21, 2009 (the "Effective Date").

### RECITALS

A. Pursuant to various commitments, purchase orders, supply agreements and/or releases issued by each Customer and accepted by Supplier (collectively, the "Purchase Orders" or individually, a "Purchase Order"), Supplier is obligated to manufacture, and each Customer is obligated to pay for, each Customer's requirements of certain component parts, service parts or assembled goods (collectively, the "Component Parts" or individually, a "Component Part").

B. Supplier is currently indebted to Comerica (the "Comerica Indebtedness") pursuant to certain credit facilities provided by Comerica to Supplier and SKD Automotive Group, Limited Partnership (the "Comerica Facilities"). To secure the Comerica Indebtedness, Comerica has been granted security over the real and personal property assets of Supplier (the "Comerica Security").

C. The Comerica Facilities have matured, but Comerica has agreed to enter into forbearance arrangements with Supplier and its affiliates, provided that arrangements acceptable to Comerica can be entered into between Supplier and the Customers.

D. As a result of Supplier's financial difficulties, Supplier will commence a proceeding (the "CCAA Proceeding") applying for an initial order in form and substance satisfactory to Comerica under the *Companies' Creditors Arrangement Act* (the "CCAA") in the Ontario Superior Court of Justice (the "Court"). Supplier has requested that the Customers provide financial and other accommodations to Supplier during the CCAA Proceeding, and the Customers have requested that Comerica and Supplier provide certain assurances and acknowledgements to the Customers regarding, among other things, Supplier's ongoing production of Component Parts for the Customers.

E. The financial advisor to Supplier, Conway MacKenzie, Inc., and RSM Richter Inc., the proposed court-appointed monitor in the CCAA Proceeding (the "Monitor"), are working with Supplier to consider alternatives to restructure Supplier's business that will include a sales process (the "Restructuring Process").

F. Supplier has requested the Customers to provide certain financial and other accommodations to Supplier during the Restructuring Process. Similarly, due to the concerns and uncertainties surrounding Supplier's financial condition, Comerica and the Customers have requested certain acknowledgements and agreements from Supplier and each other to induce Comerica and the Customers to provide those accommodations. Upon and subject to the terms

of this Agreement: (i) the Customers have agreed to provide certain assurances and acknowledgements to Supplier and Comerica; (ii) Supplier has agreed to provide certain assurances and acknowledgements to the Customers, and (iii) Comerica has agreed to provide certain assurances and acknowledgements to the Customers.

G. Supplier and the Customers are parties to an Access and Security Agreement of even date herewith ("Access Agreement").

H. References in this Agreement to paragraphs or sections, unless otherwise noted are references to paragraphs or sections of this Agreement.

BASED UPON THE FOREGOING RECITALS and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties hereto agree as follows:

### TERMS AND CONDITIONS

1. **Term.** The term of this Agreement (the "Term") shall commence on the Effective Date and continue until the earliest of (a) February 28, 2009, (b) the closing of the sale of Supplier's business as a going concern to a Qualified Buyer (as defined below), (c) an Event of Default (defined below), (d) Comerica ceases to provide financing to Supplier during the Restructuring Process, and (e) Comerica commences any enforcement action with respect to a material portion of Supplier's real or personal property constituting collateral.

2. **Customers Accommodations.**

2.1 **Resourcing.**

(a) Except as provided in this Section 2.1, until the expiration of the Term of this Agreement the Customers will not resource the production of Component Parts, including the resourcing of any awarded business that is not yet in production. "Resource", "resource" and "resourcing" means (i) any activity of a Customer that results in a Component Part produced by Supplier being purchased by a Customer from some other source during the Term, or (ii) the engineering and development or manufacture of a Component Part not yet in production, being transferred by Customer from Supplier to a replacement source during the Term. The foregoing limitation, however, does not include or prohibit (i) changes in releases due to normal business fluctuations, (ii) cessation of production due to product or vehicle cancellations (excluding cancellations or modifications to enable resourcing), (iii) a Customer taking action to prepare for resourcing including, without limitation, entering into discussions and negotiations with third parties regarding the production of the Component Parts by another source, or (iv) a Customer purchasing sample or prototype Component Parts from another source. Supplier will provide reasonable assistance with such preparatory actions, including, upon being provided with advance notice, providing reasonable access to Supplier's

facilities during normal business hours to a potential alternative supplier and/or its agents and representatives. Customers shall pay to Supplier in advance, as required by Supplier from time to time, both during the Term and following the expiry of the Term, an estimate of Supplier's reasonable incremental costs, as agreed to by Supplier and Customers, in relation to the preparation and removal activities of Customers in relation to any resourcing activities, subject to final reconciliation, upon completion of the preparation and removal activities, of all such incremental costs.

(b) In the event that Supplier and Comerica determine that no sale of the business of Supplier or plan of arrangement under the CCAA will be successfully concluded, Supplier shall forthwith provide notice to the Customers in writing (the "Resourcing Notice").

(c) Upon Supplier's failure to meet a Sale Process Milestone (defined below) or after receipt of a Resourcing Notice (the "Resourcing Trigger Event"), the Customer may resource one or more Component Parts provided that the Customer has paid in full, subject to any setoff allowed in accordance with Section 2.6 (collectively, the "Permissible Setoffs"), all then existing accounts owing to Supplier for production of any and all Component Parts and has paid for all Unpaid Tooling in accordance with Section 2.2(a) and Section 2.3 below, as applicable.

## 2.2 Expedited Payments.

(a) Undisputed Accounts Payable. Each Customer and Supplier acknowledges that, as of the Effective Date, in accordance with its records, each Customer is indebted to Supplier in the amounts set forth on the attached Schedule A (Chrysler), Schedule B (Ford), and Schedule C (Honda) for Component Parts and for Unpaid Tooling purchased by the Customer for which PPAP has been completed (collectively, the "Undisputed Accounts Payable"). Each Customer agrees:

- (1) to pay to Comerica for account of Supplier within two (2) business days after the Effective Date, all Undisputed Accounts Payable arising from the shipment of Component Parts that were due and owing prior to the Effective Date (provided that such payment will be net of a holdback of \$176,000 (the "Holdback"), in the aggregate from all Customers, until an order (the "Garnishment Order", which may be the initial order under the CCAA) is issued by the Ontario Superior Court of Justice in respect of Supplier (i) staying the garnishment served on the Customers in the amount of the Holdback pursuant to the judgment obtained by Roberto Costantino and Tony Wong (the "Judgment Creditors") in Court File No. 06 CV 308 185 PD1 (the "Garnishment"); (ii) authorizing and permitting payment of the Holdback by a Customer to Supplier; and (iii) providing that the Customers shall incur no

liability to the Judgment Creditors by making payment of the Holdback to Supplier. The Holdback will be paid to Supplier on the expiry of any period set out in the Garnishment Stay Order for providing notice to the Judgment Creditors and the applicable sheriff. For greater certainty, in the event of any dispute between the Judgment Creditors and Supplier, the Customer or Customers retaining the Holdback shall be entitled to pay the Holdback into Court);

- (2) to accelerate and to pay to Comerica for account of Supplier all other Undisputed Accounts Payable arising from the shipment of Component Parts within ten (10) days after the Effective Date; and
- (3) to pay to Comerica for account of Supplier within ten (10) business days after the Effective Date, all amounts for Unpaid Tooling in possession of the Supplier for which PPAP has been completed, and invoices have been issued by the Supplier to the Customer.

The payment made hereunder will be net of any Permissible Setoffs.

(b) Unresolved Payables and Commercial Issues. Schedule A, Schedule B, and Schedule C (collectively, the "Schedules") contain particulars of claims for any unresolved accounts payable existing as of the Effective Date between Supplier and each respective Customer (the "Unresolved Accounts Payable"), as well as claims for any unresolved commercial issues between Supplier and each Customer (the "Unresolved Commercial Issues"). Supplier and the applicable Customer agree to work in good faith to resolve (subject to Comerica's approval) and, if applicable, make payment of amounts outstanding in relation to any Unresolved Accounts Payable issues within fifteen (15) days following the Effective Date (the "Payables Resolution Period") and any Unresolved Commercial Issues within thirty (30) days following the Effective Date (the "Unresolved Commercial Issues Resolution Period"). At the expiry of the Unresolved Commercial Issues Resolution Period any remaining Unresolved Accounts Payable and Unresolved Commercial Issues shall be determined by the Court at a hearing to be forthwith scheduled after submission of an appropriate motion by Supplier.

(c) Payables Following the Effective Date. Except as otherwise provided in this Agreement, each Customer shall manage its payables process such that all amounts owing to Supplier from a Customer arising before the later of: (i) the expiration of the Term, and (ii) the date that the Comerica Indebtedness is paid in full, for such Customer's purchase of Component Parts shall be paid on a "net immediate" basis (which means Supplier will receive payment on the next accounts payable cycle after acceptance of the invoice in the Customer's accounts payable system) but, on average, no later than ten (10) business days after recognized in the

Customer's accounts payable system. In the event of a dispute as to an invoice, within five (5) business days of a meeting request by Supplier, the Supplier and the Customer (or the Customer's designee) shall meet to complete a reconciliation of the items in dispute. If there is still a dispute as to an invoice ten (10) business days after the meeting request, Supplier has the legal right to assert a claim for the invoice amount but such assertion does not constitute an admission by the Customer that the invoice amount is owed.

### 2.3 Obligation Relating to Tooling In Process and Unpaid Tooling

(a) Tooling In Process. With respect to Tooling for which, on the Effective Date, PPAP has not been completed, but which was in the course of being manufactured by Supplier, or for Supplier by a third party with which Supplier contracted (a "Tooling Vendor"), in either case pursuant to a tooling purchase order issued by the Customer to Supplier, the Customer acknowledges and agrees that:

- (1) if Supplier is fabricating the Tooling, Supplier shall be entitled, if the Tooling can be completed during the Term, to complete such tooling on the terms of the existing tooling purchase order from the Customer; and
- (2) if a Tooling Vendor is fabricating the Tooling, Supplier agrees that the Customer may reimburse Supplier for payments already made to the Tooling Vendor and for work and expenditures incurred by the Supplier to the extent reimbursable under the underlying Purchase Order, and provided that such payments have been made, cancel the tooling purchase order with Supplier and issue a tooling purchase order directly to the Tooling Vendor, at which time such Tooling will be deemed Customer Tooling;

Each Customer will, with the complete cooperation of Supplier, use its best efforts to expedite PPAP completion for any Tooling for which PPAP has not, as of the Effective Date or thereafter, been completed.

(b) Unpaid Tooling - Obtaining PPAP. With respect to Unpaid Tooling:

- (1) that has completed PPAP as of the Effective Date (but which Unpaid Tooling is not in the Supplier's possession); or
- (2) in respect of which PPAP is completed before the later of: (i) the expiration of the Term, and (ii) the date that the Comerica Indebtedness is paid in full (but which Unpaid Tooling is not in the Supplier's possession),

after the earlier of

- (i) written acknowledgement by any third party in possession of such Unpaid Tooling asserting a lien, claim or interest in the Unpaid Tooling to the satisfaction of the respective Customer, acknowledging that such lien, claim or interest has been satisfied and that Customer may take possession of such Unpaid Tooling at any time without further payment, or
- (ii) the entry of an order in the CCAA Proceeding transferring any lien, claim or interest of such third party in the Unpaid Tooling to the proceeds of such Unpaid Tooling and permitting the Customer to take possession of such Unpaid Tooling at any time without payment,

if the Unpaid Tooling can be delivered free and clear of all claims and interests, liens, security interests and encumbrances, the applicable Customer will pay for such Unpaid Tooling (to a maximum of the "not to exceed" amount provided by the Customer to Supplier in the applicable tooling purchase order and provided that Customer receives credit for any payments or deposits given by the Customer to Supplier in respect of such Tooling prior to completion of PPAP) no later than ten (10) business days after the invoice date and PPAP is completed with delivery of a PSW (Part Submission Warrant), subject to any rights of the Customer to assert a Tooling Setoff (as herein defined) or a Raw Material Setoff and subject to the Customer's audit rights in respect of the Tooling in question, at which time such Tooling will be deemed Customer Tooling.

With respect to Unpaid Tooling that PPAP is completed during the Term (and which Unpaid Tooling is in the Supplier's possession), if the Unpaid Tooling can be delivered free and clear of all claims and interests, liens, security interests and encumbrances, the applicable Customer will pay for such Unpaid Tooling (to a maximum of the "not to exceed" amount provided by the Customer to Supplier in the applicable tooling purchase order and provided that Customer receives credit for any payments or deposits given by the Customer to Supplier in respect of such Tooling prior to completion of PPAP) no later than ten (10) business days after the invoice date and PPAP is completed with delivery of a PSW (Part Submission Warrant), subject to any rights of the Customer to assert a Tooling Setoff (as herein defined) or a Raw Material Setoff and subject to the Customer's audit rights in respect of the Tooling in question, at which time such Tooling will be deemed Customer Tooling.

(c) Possession at Resourcing. Prior to taking possession of Unpaid Tooling that has not obtained PPAP, the Customer will pay to Comerica, on account of Supplier, the tooling purchase order price of such Unpaid

Tooling less the cost of completion, including any costs incurred by the Customer relating to the completion of PPAP incurred outside of the normal course of business (as such costs are determined by the Customer, Comerica, and Supplier, acting reasonably, and, in the absence of such agreed determination, by the Court in the CCAA Proceeding), less any amount previously paid by Customer to Supplier on account thereof and less the amount owed to any Tooling Vendor on account of such Tooling, and such item shall after the payment to Comerica, on account of Supplier, thereafter be included in the definition of Customer Tooling under this Agreement and treated as such.

2.4 Obligation to Pay for Returnable Packaging. With respect to returnable packaging, if the returnable packaging is not sold to a third party, Ford agrees (i) for Component Parts programs that have commenced production prior to the Effective Date, Ford will purchase all returnable packaging associated with the Component Parts, and the purchase price will be Supplier's cost not previously paid or recovered through the piece price; and (ii) for Component Parts programs not yet in production by Supplier as of the Effective Date, to pay to Supplier the entire amount required to fund Supplier's cost of producing or buying the returnable packaging. Payment for the returnable packaging will be made before Ford or its designees remove the returnable packaging from Supplier's premises; however, in any event, Ford will pay for such returnable packaging no later than ten (10) days after the end of the Term. Upon making such payments (i) Ford shall own such returnable packaging free and clear of all liens and claims, and (ii) Ford will permit Supplier to tag or otherwise conspicuously mark the purchased returnable package as property of Ford.

2.5 Obligation to Purchase Inventory.

(a) Upon the earliest to occur (the "Inventory Purchase Trigger Date") of (i) a Resourcing Trigger Event pursuant to which a Customer resources production of the Component Parts, (ii) the expiration or termination of the Term, or (iii) the exercise by a Customer of the Right of Access under the Access Agreement, such Customer shall purchase from Supplier free and clear of all claims and interests, liens, security interests and encumbrances, all raw materials (including components previously purchased by Supplier) used to manufacture the Component Parts, work in process and finished Component Parts, which at the time of resourcing are both "useable" by such Customer or such Customer's new source of such Component Parts and in a "merchantable" condition (collectively, the "Inventory"), whether currently in the possession of Supplier or in the possession of a third party (a "Bailee") holding same for or on behalf of Supplier.

(b) Upon the Inventory Purchase Trigger Date, Supplier shall forthwith provide the applicable Customer and Comerica with a written

notice that details the affected Component Parts and the Inventory. If requested by Customer, Supplier will cooperate in conducting a physical inventory of the Inventory as soon as possible following the delivery of such notice. The Customers' obligations to purchase Inventory from Supplier hereunder shall include the purchase of Inventory from Comerica or its agent or any receiver, if such persons have the authority to sell the Inventory, and the Monitor in CCAA Proceeding.

(c) For purposes hereof the term "useable" means all Inventory that is not obsolete, as determined by a Customer in accordance with applicable industry standards for the Inventory at issue, and is reasonably useable by a Customer (or its replacement supplier) in the production of Component Parts, and for all Inventory, is in a quantity equal to the greater of (i) such Customer's unsatisfied releases as of the Inventory Purchase Trigger Date, or (ii) the Inventory that was procured in reliance on such Customer's issued releases at the time of procurement that have been delayed, reduced or eliminated. Inventory Banks built in advance of union contract negotiations and Inventory purchased under a Customer Raw Material Supply Programs, including without limitation, steel purchased thereunder that was cut specifically for use in connection with a particular Customer's tool is deemed to be useable. The term "merchantable" means merchantable in conformance with all applicable Purchase Order specifications for the Component Part at issue. The determination of whether Inventory is "useable" and "merchantable" will be made on the later of (i) the date the Inventory Vesting Order (as defined below) is entered, and (ii) the date that the Inventory is made available for delivery to a Customer. Inventory removed by or delivered to and accepted by a Customer, shall be deemed to be useable and merchantable. As soon as practical but in no event five (5) business days after entry of the Inventory Vesting Order, the Customer and Supplier will jointly determine in good faith to determine if inventory in the possession a Bailee is merchantable and useable.

(d) The purchase price of the Inventory will be: (i) for raw materials, 100% of Supplier's actual invoiced cost; (ii) for work in process, 85% of Supplier's cost, which cost shall be calculated on a percentage of completion basis based on the existing price called for in the Purchase Order related for the Component Part at issue; and (iii) for finished Component Parts, 100% of the existing price called for in the underlying Purchase Order for the Component Part at issue. All prices are F.O.B. Supplier. Notwithstanding Section 2.6, each Customer shall be entitled to a credit against the purchase price of Inventory for the amount of any unrecovered Raw Material Setoff.

(e) The full amount of the purchase price for the Inventory being purchased will be paid by the Customer to the Monitor, to be held in trust for Supplier, prior to any purchased Inventory being delivered to a



Customer. Delivery of the purchased Inventory to the Customer, and the release of the purchase price for such Inventory by the Monitor from trust to Comerica for the account of Supplier, shall each occur without further direction, notice, Order or writing, immediately following the making of an Order acceptable to the Customers and Comerica, acting reasonably (the "Inventory Vesting Order") by the Court directing the release by the Monitor of the full amount of the purchase price to Comerica for account of Supplier and vesting title in the Inventory in the Customer free and clear of all claims and interests, liens, security interests and encumbrances, and, if required, directing any Bailee to deliver up possession of any Inventory in its possession to the Customer, which Order shall be sought from the Court as soon as practicable following the commencement of resourcing by the Customer. Following the making of the Inventory Vesting Order, Supplier agrees to cooperate with Customer in its taking of possession of the Inventory, including by (i) providing Customer with a right of access to its premises during normal business hours to take possession of and remove such purchased Inventory, and (ii) enforcement of the Inventory Vesting Order.

(f) Supplier acknowledges and agrees that upon payment in full by Customer to Supplier for Inventory, Customer shall be the owner of such Inventory and, to the extent that it is being held by Supplier or a Bailee, it is held as bailee-at-will only.

2.6 Limitation of Setoffs. Except for "Raw Material Setoffs", "Allowed Setoffs", "Material Setoffs", "Professional Fee Setoffs" and "Tooling Setoffs" (each as defined below), Customer agrees not to assert any defenses, rights or claims for setoffs, recoupment or deductions of any nature or kind, including in connection with any prior, existing or future defaults under the Purchase Orders or arising under otherwise applicable law, including claims for special or consequential damages. Customers agree that their right to assert a claim for setoff, recoupment or deduction does not constitute an admission by Supplier of the quantum or validity of any such claim.

The term "Raw Material Setoffs" means setoffs, recoupments or deductions for materials supplied directly by, or on behalf of, a Customer to Supplier pursuant to an existing arrangement between Supplier and that Customer under the Customer's raw material or material offload program ("Customer Raw Material Supply Program").

The term "Allowed Setoffs" means setoffs, recoupments or deductions for defective or nonconforming products, quality problems, unordered or unreleased parts returned to Supplier, short shipments, misshipments, premium freight charges (not caused by a Customer), incorrect invoices, mispricing, duplicate payments or billing errors, in each case subject to appropriate documentation, but excluding any special, incidental or

consequential damages, whether arising from or relating to the foregoing or otherwise.

The term "Material Setoffs" means any actual and documented payments for raw materials, components or other goods (but not Tooling and not materials that are part of a Customer Raw Material Supply Program) supplied or paid for by a Customer for Supplier's use in manufacturing the Component Parts, for which Supplier and Comerica has received written notice (a "Direct Payment Notice") from the Customer prior to the earlier of delivery, payment or purchase of such raw materials, components or other goods. Material Setoffs may be taken only against the Customer's accounts payable for Component Parts arising at least two (2) business days after the date that a Direct Payment Notice is received by Comerica and only if the Customer provides Supplier and Comerica with proof of such payment or purchase. In the case of any direct payment made by a Customer to a vendor as a result of a vendor's refusal to sell to Supplier, Customer shall not, without Supplier's and Comerica's prior written consent, pay to the material vendor a price in excess of the applicable price set forth in the vendor's agreement with Supplier, whether characterized as an increase in the unit price or as a request for antecedent debt to be repaid. For clarity, there is no notice requirement for Raw Material Setoffs and there is no requirement that a Raw Material Setoff be taken only against accounts generated after notice or delivery of the raw materials.

The term "Professional Fee Setoffs" means the actual and documented professional fees incurred by the Customers relating to Supplier.

The term "Tooling Setoffs" means any actual and documented payments to Tooling Vendors and/or a party with a valid and existing lien on the subject Tooling (a "Tooling Lien Claimant") for the purchase price of or costs to modify or repair Tooling, or any portion thereof (i) on account of Tooling which is necessary to protect the production of Component Parts for a Customer's production (existing and future) and as to which the payments are necessary to secure the release of Tooling, or (ii) as to which written notice of the amount paid to the Tooling Vendor or Tooling Lien Claimant has been received by Comerica within five (5) business days after each such payment. Tooling Setoffs can only be asserted against payables for Tooling. Notwithstanding the foregoing, the Customer shall not, without the prior written consent of the Monitor, pay to a Tooling Vendor or Tooling Lien Claimant a price in excess of the applicable price set out in an agreement between such Tooling Vendor or Tooling Lien Claimant and Supplier, unless Supplier is unable to timely compel such person to deliver the Tooling to the Customer or Supplier unless such price is paid, after notice from the Customer to the Monitor, Supplier and Comerica that such Tooling is required to ensure the ongoing production

of Component Parts for the Customer without a material interruption in the supply of such Component Parts.

The parties hereto agree that: (a) Allowed Setoffs, Professional Fee Setoffs, Materials Setoffs and Raw Material Setoffs may not be taken in relation to any amounts to be paid for returnable packaging pursuant to section 2.4 of this Agreement, Inventory purchased pursuant to section 2.5 of this Agreement (but for clarity, Raw Materials Setoffs are permitted as provided for in Section 2.5), Supplier Owned Tooling purchased pursuant to Section 6.1 of this Agreement, or Designated Equipment purchased pursuant to section 6.2 of this Agreement; (b) in no event shall Allowed Setoffs and Professional Fee Setoffs taken by each Customer exceed, in the aggregate, 5% of the paid amount of any unpaid invoice; and (c) each Customer may set off or recoup against any accounts arising from the shipment of Component Parts or arising from Unpaid Tooling amounts that are owed by Supplier to the Customer for materials received by Supplier from the Customer pursuant to the Customer's Raw Materials Purchasing Program in the ordinary course of business and without limitation. Any Allowed Setoffs or Professional Fee Setoffs which are not taken or prohibited by the aggregate 5% cap may be rolled forward and applied to the future invoices, provided, however, the aggregate 5% cap will still apply to any setoff of each future invoice.

Other than as provided for and restricted by this Agreement in relation to payments to be made by the Customers to or for the account of Supplier (including any trustee in bankruptcy, receiver or interim receiver of Supplier), none of which is amended or modified by this sentence, the Customers retain their rights of setoff and recoupment for defensive purposes against third parties other than Supplier and Comerica, provided that the Customers agree that they will not assert, for purposes of seeking an affirmative recovery, any special, consequential or incidental damages or any other claims which the Customers have agreed to not assert by way of setoff, deduction or recoupment under this Agreement, as claims in any estate of Supplier, whether in the context of the CCAA Proceeding or any receivership or bankruptcy in relation to Supplier. The parties further agree that after (but not before) the Comerica Indebtedness has been fully paid, the Customers may assert their respective rights of setoff and recoupment against any resolved valid Unresolved Commercial Issues (the "Determined Unresolved Commercial Issues"), provided however, such rights shall be limited, in the case of each Customer, to an amount equal to 50% of the amount of that Customer's Determined Unresolved Commercial Issues. For example, as to the last point in the preceding sentence, if there are \$1.0 million of Determined Unresolved Commercial Issues, the Customer can use any valid set off and recoupment rights for up to \$500,000.

- 2.7 Obligation to pay sales taxes. Customer shall pay (if not already paid) all applicable federal and provincial sales taxes or deliver such exemption certificates or elections (and Supplier shall cooperate in the preparation or delivery of any such materials) in relation to each of the transactions contemplated under this Agreement.
- 2.8 Waiver of Price-downs. The Customers acknowledge and confirm that during the Term, and in relation to Inventory Purchase under Section 2.5 of this Agreement, the prices to be paid for the Component Parts are not subject to any price-downs not already in effect as at December 15, 2008.
- 2.9 Customer Funding.

(A) Subject to the terms of this Section, Customers agree during the Term to purchase subordinated participations from Comerica as necessary to provide the funding required under the Comerica Facilities ("the Customer Operations Funding") up to US\$8,800,000 (the "Cap"), subject to mutually agreed upon adjustments to the Cap. The Customer Operations Funding shall be in an aggregate amount consistent with the budget attached as Exhibit C to this Agreement (the "Budget"), but with a permitted variance in respect of aggregate disbursements set forth in the budget for any week on a rolling net basis of up to ten 10% percent, but in no event shall the forgoing variance result in the Customer Operations Funding exceeding the Cap. For clarity, the Cap is the aggregate amount from the consolidated Budget for the U.S., Mexican, and Canadian operations.

(B) The Customer Operations Funding shall be made available through the purchase of subordinated participations in the direct borrowings of Supplier under the Comerica Facilities, pursuant to the terms of the subordinated participation agreement dated January 12, 2009, as the same may be amended or restated (the "Subordinated Participation Agreement"). Customers will (i) on the Effective Date for the working days during the week of the Effective Date, and (ii) during the Term, on or before the Friday of each week for the week that immediately follows, purchase subordinated participations from Comerica in the amounts estimated by Supplier as being required to satisfy the obligations of Supplier to operate during the applicable week in excess of the Supplier's existing availability under the Comerica Facilities (the "Weekly Funding Amount"). The Weekly Funding Amount shall be calculated in a manner to permit payment by Supplier of such estimated obligations, whether or not actually paid in that week.

(C) The allocation of the Customers Operations Funding will be allocated by and among the Customers on a basis agreed upon as among the Customers in accordance with the percentages set forth in the attached

Exhibit D. The Customers Operations Funding hereunder shall be several and not joint.

(D) Supplier will provide the Customers weekly variance reporting.

(E) The Customer Operations Funding shall be in addition to any (i) Parts Bank Costs (as defined below), (ii) vendor hostage payments not covered in the Budget, the payment of which shall not give rise to a right of setoff, recoupment or deduction by any Customer, and (iii) program launch or other Customer-specific costs, each of which shall be funded and borne by the applicable Customer, individually (the "Individual Customer Funding Events"). Supplier shall not use Customer Operations Funding for payments to be covered pursuant to Individual Customer Funding Events, which each Customer agrees will be funded to Supplier under arrangements separately agreed to by Supplier and the applicable Customer, in advance of any obligations being incurred by Supplier.

### 3. Supplier's Obligations.

- 3.1 Cash Management. Supplier agrees to use its best efforts to minimize expenses through cash management and conduct its operations in accordance with the Budget. Supplier shall provide the Customers and Comerica actual to Budget data on a weekly basis.
- 3.2 Continue to Manufacture. Provided that Supplier has sufficient funding and Customers are otherwise complying with their obligations in all material respects under this Agreement, during the Term Supplier will continue to manufacture and deliver Component Parts from and after the Effective Date in accordance with Purchase Orders outstanding as of the Effective Date, Purchase Orders issued after the Effective Date and any new awards entered into during the Term. The terms and conditions of the Purchase Orders shall remain in full force and effect; provided, however, in the event of any inconsistency between the terms of this Agreement and the terms of the Purchase Orders, the terms of this Agreement will control.
- 3.3 Inventory Bank. At a Customer's request, during the Term Supplier will use commercially reasonable efforts to create an inventory parts bank of Component Parts currently in production (the "Inventory Parts Bank"), subject to the limitations set forth below. At Customer's cost, Supplier will ship the Inventory Parts Bank to the Customer's designated location as it is produced and Customer will pay for same at the prices provided for in the applicable Purchase Order, on the payment terms set forth in Section 2.2(c). Such requirement of Supplier to create an Inventory Parts Bank will be subject to the following: (i) sufficient funding; (ii) capacity, including labour capacity, and time limitations (e.g., machine capacity, manpower limitations and dunnage and material availability, including equitable allocation of resources with respect to requests from Customer);

(iii) availability of raw materials, and (iv) the Customer otherwise being in compliance with this Agreement. From and after the date that Customer requests an Inventory Parts Bank, Supplier will promptly notify Customer of any issues that would prevent Supplier's ability to manufacture and deliver the Inventory Parts Bank. Customer shall pay for all documented incremental costs associated with producing the Inventory Parts Bank, such as overtime premiums, packaging and additional Tooling.

- 3.4 Access to Books and Records. Supplier agrees that each Customer and its respective designee(s), agent(s) and representative(s) will have access to Supplier's books, records, management and operations during regular business hours, upon reasonable request and prior notice, for the sole purposes of (a) inspecting and, if permitted by Section 2.1, resourcing all Tooling involved with production of the Component Parts, (b) monitoring production of the Component Parts, (c) meeting with Supplier's representatives, and (d) monitoring Supplier's compliance with the terms of this Agreement, the Purchase Orders and the Access Agreement (referenced below). Supplier further agrees to provide each Customer with its cash flow projections as filed with the Court from time to time. Notwithstanding the foregoing, Supplier shall not be required to provide access to any books, records or other information that is subject to privacy legislation or confidentiality obligations.
- 3.5 Resourcing. In the event that the Customer resources under Section 2.1, and provided that Customer is otherwise in compliance with this Agreement, Supplier will use its commercially reasonable efforts to cooperate with the Customer in resourcing production of the Component Parts, including, without limitation, by providing the Customer and its respective agents, representatives, designees, consultants, officers and employees, with reasonable access to Supplier's then remaining officers and employees, and to any of Supplier's books and records (including tool prints, tool drawings and other documents), tool line-ups or tool processing sheets, tool or other drawings or any other engineering, design and technology information, PPAP packages, test reports, books or other PPAP documents, packaging instructions or like information in its possession or control, necessary for the Customer to resource production of its Component Parts.
- 3.6 Access Agreement. Simultaneously with the execution of this Agreement, Supplier will execute the Access Agreement attached as Exhibit B to this Agreement.
- 3.7 Agreement Approval. Contemporaneous with commencement of the CCAA Proceeding, Supplier shall seek the approval of this Agreement, the Access Agreement and the Customer funding contemplated under this Agreement in the CCAA Proceeding.

3.8 License. Notwithstanding anything in this Agreement to the contrary, and effective upon all payments being made by a Customer to Supplier in accordance with this Agreement, in the event of a Customer's resourcing under this Agreement, Supplier will grant to such Customer and its assignee(s) or designee(s) an (a) irrevocable, fully paid, worldwide non-exclusive license to the Intellectual Property (defined below) owned by Supplier related to the production of resourced Component Parts, and (b) an irrevocable sublicense to the Intellectual Property licensed to Supplier (to the extent that Supplier has the right to grant sublicenses therein) to make, have made, use, have used, modify, improve, prepare derivative works of, distribute, display, offer to sell, sell, import and do all other things and exercise all other rights in the licensed or sublicensed Intellectual Property for production of the resourced Component Parts for a Customer. The non-exclusive license granted in (a) and (b) of the immediately preceding sentence shall extend to a Customer's existing Purchase Orders (including in the production of new vehicles by a Customer), and service obligations for used Customer vehicles. Any license granted pursuant to this Section shall also apply to any new model year changes, refreshes or follow-on platforms and programs incorporating the Intellectual Property. This Section is not intended to limit or otherwise restrict any rights granted to a Customer in the Purchase Orders or any other agreement, but is intended to expand those rights.

The term "Intellectual Property" means (a) all currently existing registered and applied-for intellectual property owned by Supplier (including, but not limited to, all patents, patent applications, trademark registrations, trademark applications, copyright registrations, and copyright applications), (b) all agreements for intellectual property licensed to Supplier and (c) any other intellectual property used to produce Component Parts (whether or not the intellectual property is identified, including, but not limited to, unregistered copyrights, inventions, discoveries, trade secrets and designs, regardless of whether such items are registerable or patentable in the future, and all related documents and software), that are used in or to produce any Component Parts that Supplier directly or indirectly sells to an Customer.

3.9 Other Customer Accommodations. Supplier will use commercially reasonable efforts to obtain the agreements of each of Supplier's other customers who require continuing production from Supplier during the Term, to provide accommodations substantially similar to the accommodations provided by the Customers in Section 2.1 to 2.9 of this Agreement. Instead of providing funding through the purchase of subordinated participation as provided by the Customers in Section 2.9, other customers will provide their funding in the form of surcharges or piece price increases with a similar net economic affect as that being provided by the Customers. From and after the Effective Date, Supplier will not enter into an agreement (or modify or amend an existing

agreement) with any other customer on terms that are more favorable to such other customer in any material respect than the terms and conditions described herein without the consent of the Customers.

3.10 Sale Milestones. Supplier shall undertake a sale process (the "Sale Process") to attempt to effectuate a going concern sale of its business approved by Comerica to a Qualified Buyer (as defined below). Supplier agrees to conduct the Sale Process in accordance with the following milestones (each, a "Sale Process Milestone", or collectively, the "Sale Process Milestones"):

- (a) Court Approval of the Sale Process. Obtain Court approval of the Sale Process satisfactory to Comerica within ten (10) days of commencement of the CCAA Proceeding;
- (b) Purchase Agreement. Obtain, by no later than February 18, 2009, one or more Purchase Agreements satisfactory to Comerica to sell Supplier's assets to a Qualified Buyer (as defined below);
- (c) Court Approval of the Purchase Agreement. Obtain, by February 25, 2009, approval of the Purchase Agreement to sell Supplier's assets to a Qualified Buyer (as defined below); and
- (d) Close: Implementation. By no later than February 28, 2009, close the sale of Supplier's assets to a Qualified Buyer.

For purposes of this Agreement, a "Qualified Buyer" means a buyer who is acceptable to Supplier and Comerica and who demonstrates to the reasonable satisfaction of the Customers wishing to continue production with such buyer that it: (a) possesses the financial capabilities, business plan and management structure to effect the acquisition of and operation of the facilities, in the opinion of the applicable Customer; (b) fits the applicable Customer's strategic purchasing plan; and (c) unless otherwise agreed to by the applicable Customer, would agree to assume all of the original Purchase Orders, without any modification that may have been provided to Supplier pursuant to this Agreement or other modification unless otherwise agreed to by the applicable Customer. Subject to the execution of confidentiality agreements in form and substance mutually agreeable to Supplier, Comerica and the Customers, Supplier, through the Monitor, will provide the Customers and Comerica with regular updates on the status of the Sale Process and will, through the Monitor, provide to the Customers copies of all offering memoranda and executed copies of asset purchase agreements received from prospective buyers.

3.11 Appraisal. Within 15 days following the commencement of the CCAA Proceeding, Supplier shall engage Corporate Assets Inc. (the "Appraiser"), being an appraiser acceptable to Supplier, Comerica and the Customers, to



conduct a valuation, on an orderly liquidation basis, of the Designated Equipment (as defined below).

4. Comerica Accommodations.

- 4.1 Financing. Comerica will enter into a forbearance agreement substantially in the form attached as Exhibit A (the "Forbearance Agreement"). Comerica will not institute borrowing base reserves inconsistent with the Forbearance Agreement, its loan documents and prior practices and will not modify the definition of eligible inventory or accounts receivable. Comerica will provide a component to the borrowing base under the Comerica Facilities based upon subordinated participations purchased by the Customers in accordance with the Subordinated Participation Agreement. Comerica agrees that it will apply to the Liabilities (as defined in the Forbearance Agreement) 100% of all payments in good funds on account of commercial claims from Customers and reserve 50% (as opposed to 100%).
- 4.2 Access Agreement Consent. Comerica consents to the Access Agreement granted in Section 3.6 and attached as Exhibit B to this Agreement and agree to memorialize such consent by signing and delivering Schedule 12(a) to the Access Agreement.
- 4.3 Tooling Acknowledgement and Option Consent. Comerica consents to the Tooling Acknowledgement and Option and terms thereof set forth in Sections 5 and 6 of this Agreement.

5. Tooling Acknowledgment.

- 5.1 For purposes of this Agreement, the term "Tooling" means all tooling, dies, test and assembly fixtures, gauges, jigs, patterns, and documentation regarding same, including engineering specifications, PPAP books, drawings and test reports together with any accessions, attachments, parts, accessories, substitutions, replacements, and appurtenances thereto that are necessary for the manufacture of Component Parts for a Customer, whether now or in the future. Tooling consists of three subcategories: "Customer Tooling"; "Unpaid Tooling"; and "Supplier Owned Tooling".

(a) The term "Customer Tooling" means all Tooling that is not Unpaid Tooling or Supplier Owned Tooling (each as defined below). Customer Tooling is held by Supplier as a bailee-at-will and, to the extent held by a third party, is held by such third party as a bailee-at-will.

(b) The term "Unpaid Tooling" means Tooling manufactured for a Customer for which such Customer (or its sub-supplier) has not made full payment under the applicable Purchase Order or agreement with Supplier.

(c) The term "Supplier Owned Tooling" means Tooling which is used to make Component Parts for a Customer but is not the subject of a purchase order or agreement with Supplier.

Upon payment by a Customer of the applicable tooling purchase order price for any item of Unpaid Tooling, such item will thereafter be included in the definition of Customer Tooling. Subject to the provisions of Sections 2.2, 2.3 and 5.5 of this Agreement, nothing in this Agreement modifies the Customer's payment obligations to Supplier on account of Unpaid Tooling.

5.2 Attached as Schedule D is a list of Unpaid Tooling that has been completed and for which PPAP has been completed or is in process. Schedule D sets forth, for each item of Unpaid Tooling, the amount Supplier believes is owed, the amounts, if any, Supplier has been paid as of the Effective Date by Customer on account thereof, and the status of the PPAP in relation to such Unpaid Tooling. Attached as Schedule E is a list of all Supplier Owned Tooling.

Any Tooling not contained on the above tooling schedules (the "Tooling Schedules") shall be deemed Customer Tooling. The Customers and Comerica shall have fifteen (15) days after the Effective Date to supplement or object to any items contained on the Tooling Schedules. A party failing to supplement or object during this period shall be deemed to accept and consent to each of the Tooling Schedules.

5.3 Neither Supplier, nor any other person or entity other than the applicable Customer (or its affiliates) will have any right, title or interest in Customer Tooling other than Supplier's ability to utilize the Customer Tooling in the manufacture of the Customer's Component Parts. Supplier acknowledges that upon a Resourcing Trigger Event, Customer, or its designee(s), will have the right to forthwith enter the premises of Supplier and take possession of any and all Customer Tooling and Supplier, and Comerica (if it has control of Supplier's premises), agrees to cooperate with such Customer in such Customer's taking possession of Customer Tooling and provide the applicable Customer or its designee(s) with such access to Supplier's premises; provided, however, the Customers will not interfere with Supplier's ongoing operations when removing the Customer Tooling, will use skilled workers or third parties, having adequate insurance coverage, in the removal of the Customer Tooling, will take reasonable and prudent care not to damage any machinery or equipment of Supplier or another customer in the process of such removal. Supplier also agrees to provide reasonable access to the Customers, or their nominee(s), during normal business hours, to affix any plate, stamp, tag, marking or other evidence of the Customers' ownership upon each item of Customer Tooling

- 5.4 Comerica agrees not to challenge Customer's ownership or rights to Customer Tooling, subject to the rights to challenge any of the lists described in Section 5.2 of this Agreement.
- 5.5 In the event of a dispute between Supplier and a Customer over whether any Tooling is Customer Tooling, Unpaid Tooling or Supplier Owned Tooling arises, the matter shall be submitted to the Court in the CCAA Proceeding for expedited resolution. The Customer will have the right to take possession of the Tooling subject to the dispute (the "Disputed Tooling"), provided that the full amount claimed due by Supplier for the Disputed Tooling, determined in accordance with Section 2.3, in the case of Tooling that Supplier asserts is Unpaid Tooling, and determined in accordance with Section 6 of this Agreement, in the case of Tooling that the Supplier asserts is Supplier Owned Tooling, is paid to the Monitor, to be held in trust for Supplier (or Customer, if the dispute is resolved in Customer's favour), prior to Customer taking possession of any Disputed Tooling. Pending resolution of the dispute, the Disputed Tooling will remain subject to any liens and security interests of Supplier and Comerica, notwithstanding Supplier's relinquishment of possession, which shall not be deemed or construed to be a release of such rights. Any disputes in relation to funds held in trust shall be dealt with in accordance with Section 13.10 of this Agreement.

6. Purchase of Supplier Owned Tooling and Designated Equipment.

- 6.1 Supplier Owned Tooling. Each Customer (or affiliate of a Customer) reserves the right and is granted an irrevocable, exclusive option, upon a Resourcing Triggering Event, to purchase any or all Supplier Owned Tooling used in the production of its Component Parts. The purchase price of Supplier Owned Tooling shall be the Supplier's cost multiplied by a fraction, the numerator of which shall be equal to the remaining production life of the vehicle program and any successor program, expressed in months, and the denominator of which shall be equal to the Customer's published estimated production life of the vehicle, expressed in months. Upon a Customer's purchase of and payment for an item of Supplier Owned Tooling, such item will thereafter be Customer Tooling. Comerica does not object to and will not oppose the exercise of such option, and upon payment of the purchase price to Comerica on Supplier's account required under this Section, will release any lien it has in the purchased Supplier Owned Tooling. Supplier acknowledges that the foregoing price to be paid for the applicable Supplier Owned Tooling constitutes a commercially reasonable price, and that any sale pursuant to the foregoing shall be deemed to be commercially reasonable in all respects, including method, time, place and terms. The option will expire fifteen (15) days after the expiration of the Term unless the Purchaser has exercised the option and paid the applicable purchase price in full by such date. If requested by Customer, upon exercise of the option and payment

to Comerica on account of Supplier of the applicable price, a Bill of Sale for the Supplier Owned Tooling will be delivered by Supplier to the Customer.

6.2 Designated Equipment. Supplier grants to the Customer or its assignee(s) or designee(s) (the "Purchaser") an irrevocable, exclusive option, upon the right of a Customer to resource under Section 2.1 above, to purchase any of the machinery and equipment owned by Supplier and used exclusively to produce Component Parts for that Customer or machinery and equipment not used exclusively to produce Component Parts for an individual Customer but for which each Customer who relies on that machinery and equipment consents (the "Designated Equipment"). The purchase price of each piece of Designated Equipment shall be paid to Comerica on Supplier's account in cash, in an amount equal to the greatest of (i) 92.5% of net book value as determined by Supplier's books and records, if it can be determined (ii) 25% of the cost of the Designated Equipment, and (iii) 100% of its appraised orderly liquidation value determined in accordance with an appraisal performed by an appraiser approved by all Parties (the "Option Price"). Comerica does not object to, and will not oppose the exercise of such option, and, upon payment of the purchase price to Comerica on account of Supplier as required under this Section, will release any lien it has in the purchased Designated Equipment. Supplier acknowledges that the foregoing price to be paid for the applicable Designated Equipment constitutes a commercially reasonable price, and that any sale pursuant to the foregoing shall be deemed to be commercially reasonable in all respects, including method, time, place and terms. This option will expire fifteen (15) days thereafter unless the Purchaser has exercised the option and paid the applicable purchase price in full by such date. If requested by Customer, upon exercise of the option and payment of the applicable price, a Bill of Sale for the Designated Equipment will be delivered by Supplier to the Customer.

6.3 Upon exercise of the foregoing options and payment of the applicable price and payment of all other amounts due and payable by the Customer under this Agreement to Comerica on account of Supplier, the Purchaser shall, subject to the provisions of this Section 6.3, be entitled to take possession of the purchased Supplier Owned Tooling and Designated Equipment free and clear of all claims and interests, liens, security interests and encumbrances. The obligations of the Purchaser to complete the purchase of any Supplier Owned Tooling or Designated Equipment, and the obligations of Supplier to convey, shall be subject to the aforesaid payments having been fully made, without setoff, recoupment or deduction, and an Order being obtained from the Court vesting title in and to the Supplier Owned Tooling and/or the Designated Equipment in the Purchaser free and clear of all claims, interests, liens, security interests and

encumbrances, in a form satisfactory to the Purchaser and Comerica, each acting reasonably. Purchaser shall be entitled following the making of such Order and the payment to Comerica, for the account of Supplier, without further payment of any kind to own, operate, use and enjoy, sell, assign, transfer and/or convey the same. Supplier hereby agrees to cooperate with the Purchaser in its taking possession and control of such Supplier Owned Tooling and Designated Equipment upon completion of the purchase transaction. If requested by Purchaser, upon exercise of the option and payment to Comerica, for the account of Supplier, of the applicable price and payment of all other amounts due and payable by the Customer under this Agreement (subject to any dispute of such amount as aforesaid), a Bill of Sale by Supplier in respect of such Supplier Owned Tooling and Designated Equipment will be delivered to the Purchaser.

7. **Events of Default.** The occurrence of any one or more of the following at any time during the Term will be "Events of Default", or individually, an "Event of Default", hereunder unless a waiver or deferral thereof is agreed to in writing, in each instance, by the applicable Customer or Customers, and Comerica:
- 7.1 Exclusive of breaches by Supplier that are the result of a breach of this Agreement by the applicable Customer, unless cured in five (5) days after notice, Supplier materially breaches its obligations to a Customer under this Agreement, except if the consequences of such breach is a substantial likelihood that such Customer's production will be interrupted, then Supplier shall have no right to cure;
  - 7.2 Supplier repudiates or materially breaches its obligations under the Purchase Orders to a Customer, other than arising from a material breach by a Customer under this Agreement or the Purchase Orders or a material breach by a directed-buy supplier to Supplier, the consequence of which is a substantial likelihood that such Customer's production will be interrupted;
  - 7.3 the terms of this Agreement are modified or superseded by an Order made by the Court in the CCAA Proceeding or by any plan of arrangement filed by Supplier or any other Canadian insolvency proceeding; or
  - 7.4 the Customers are requested by Supplier or required to contribute any additional accommodations other than those set forth in this Agreement.
8. **Customer Defaults.** In the event that a Customer fails to perform its obligations to Supplier under this Agreement including, without limitation, its failure to make any payments contemplated hereunder as and when due, and such failure is not cured within five (5) business days after written notice to the respective Customer, Supplier shall have no continuing obligations to such Customer hereunder. For clarity, during the five (5) business day cure period set forth in the foregoing sentence, Supplier shall not be relieved from any of its obligations set

forth in this Agreement and, subject to adequate financing, must continue to manufacture and deliver Component Parts to the Customer.

9. **Disputes.** Except as otherwise provided for herein, any disputes as to the payment of amounts claimed due under this Agreement shall be resolved by the Court in the CCAA Proceeding, at a hearing to be scheduled within thirty (30) days of the date payment is otherwise due under this Agreement. Except as otherwise provided herein, any other disputes relating to this Agreement shall be resolved by the Court in the CCAA Proceeding, at a hearing to be scheduled on an expedited basis.
10. **Reservation of Rights.** Except to the extent expressly provided in this Agreement, the parties reserve and do not waive any claims, rights and remedies that they individually may have under the Purchase Orders, any other agreements between the parties or otherwise applicable law, and the parties expressly reserve all such claims, rights and remedies they have under this Agreement, any Purchase Orders, any other agreements between the parties and/or otherwise applicable law.
11. **[Intentionally Omitted].**
12. **Notice.** Any notice or other instrument to be given hereunder must be in writing and, except as otherwise provided in this Agreement, will be deemed to be duly given if mailed, delivered by hand or sent by facsimile or e-mail delivery to the party to whom such communication is intended to be given and any notice so delivered or sent will be deemed to have been duly given at the time of service on the day on which it was so delivered or sent, and if mailed, will be deemed to be given three (3) days following the date of mailing. Until changed by notice in the manner described above, the addresses of the parties for the purpose of notice will be:

If to Supplier: SKD Automotive Group  
1450 W. Long Lake Rd.  
Suite 210  
Troy, MI 48098  
Attention: John Chen  
Facsimile: (248) 267-9669  
E-Mail: [jchen@skdautomotive.com](mailto:jchen@skdautomotive.com)

With a copy to: Lang Michener LLP  
Brookfield Place, 181  
Bay Street, Suite 2500  
Toronto, Ontario M5J 2T7  
Attention: Sheryl E. Seigel  
Facsimile: (416) 365-1719  
Email: [sseigel@langmichener.ca](mailto:sseigel@langmichener.ca)

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

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

If to Chrysler: Chrysler LLC  
800 Chrysler Drive  
CIMS 485-14-78  
Auburn Hills, Michigan 48326  
Attention: Sigmund Huber  
Director, Supplier Relations  
Facsimile: (248) 512-1771  
Email: [sch43@chrysler.com](mailto:sch43@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](mailto:krk4@chrysler.com)

And: Dickinson Wright PLLC  
500 Woodward Ave., Suite 4000  
Detroit, Michigan 48226  
Attention: James A. Plemmons  
Facsimile: (313) 223-3598  
Email: [jplemmons@dickinsonwright.com](mailto: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 Ford: Ford Motor Company  
Building 3  
20100 Rotunda Drive  
Number 3A041  
Dearborn, Michigan 48124  
Attention: Bill Strong  
Facsimile: (313) 206-7044  
Email: wstrong@ford.com

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

And: Miller Canfield Paddock and Stone, PLC  
150 West Jefferson, Suite 2500  
Detroit, Michigan 48226  
Attention: Stephen S. LaPlante  
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

13. General Terms.

- 13.1 This Agreement together with the other documents executed in connection herewith, including the Access Agreement and the Purchase Orders, and the memorandum of understanding regarding interim funding dated January 11, 2009, and the agreement by way of email exchange on January 5, 2009 regarding interim funding, constitutes the entire understanding of the parties in connection with the subject matter hereof, other than in relation to matters covered by the Forbearance Agreement, the Subordinated Participation Agreement, the agreement between the Supplier and the Customers regarding the application of proceeds on account of the subordinated participations purchased by the Customers from Comerica, and any documents related or ancillary thereto. This Agreement may not be modified, altered or amended except by an agreement in writing signed by all parties. In the event of any inconsistency between the terms of any purchase orders and this Agreement, the terms of this Agreement shall govern.
- 13.2 The parties executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation or entity that they represent and that their signatures bind said corporations or entities to the terms of this Agreement.
- 13.3 Supplier and the Customers may not assign or transfer, directly or indirectly, any of its rights under this Agreement without the prior written consent of all the parties to this Agreement. Likewise, this Agreement is not intended for the benefit of any third parties including any purchasers of Supplier's assets including, without limitation, other customers of Supplier (other than affiliates of a Customer).
- 13.4 No delay or failure of any party to exercise any right, power or privilege hereunder will affect such right, power or privilege, nor will any single or

partial exercise thereof preclude any further exercise thereof, nor the exercise of any other right, power or privilege.

- 13.5 Should any provision of this Agreement be held invalid or unenforceable, the remainder of this Agreement will not be affected thereby.
- 13.6 Supplier and the Customers agree that they will not enter into any other arrangements or agreements that would in any way materially impair their respective rights under this Agreement.
- 13.7 Nothing in this Agreement will be interpreted to constitute Supplier, Comerica or any Customer as agent for any other party to this Agreement for any purpose.
- 13.8 Except as specifically provided in this Agreement, this Agreement is not intended to modify the terms and conditions of the Purchase Orders or the Comerica loan documents or Comerica Security, which terms and conditions will otherwise remain in full force and effect.
- 13.9 This Agreement may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts will be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their respective signatures may be delivered by facsimile or electronic transmission in "pdf" format, and that facsimile signatures or signature provided in pdf format will be treated as originals for all purposes.
- 13.10 Customer shall pay any amounts in dispute under sections 5.5 and 6.3 of this Agreement to the Monitor and the Monitor shall hold such amounts in trust for the Supplier or Customer, as each or either is ultimately determined to be entitled thereto, to be released only (i) with the written consent of the Customer, Supplier and Comerica, or (ii) pursuant to an Order of the Court. The Customer, Supplier and Comerica agree to resolve any such disputed matters expeditiously. If any dispute is not forthwith resolved, any of Supplier, a Customer, Comerica and the Monitor, may seek resolution as set forth in Section 9 of this Agreement.
- 13.11 This Agreement is made in Province of Ontario and will be governed by, and construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflicts of law principles.

**14. REPRESENTATIONS. THE PARTIES ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL OF THEIR CHOICE BEFORE EXECUTING THIS AGREEMENT AND ARE DOING SO WITHOUT DURESS, INTIMIDATION OR COERCION, AND WITHOUT RELIANCE UPON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS**

OTHER THAN THOSE REPRESENTATIONS, WARRANTIES OR COMMITMENTS SET FORTH IN THIS AGREEMENT.

15. JURY TRIAL WAIVER. THE PARTIES ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY, AND WITHOUT DURESS, INTIMIDATION OR COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN THE PARTIES EXECUTED IN CONNECTION WITH THIS AGREEMENT. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED THE BENEFIT OF THIS WAIVER OF JURY TRIAL UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO WHICH SUCH RELINQUISHMENT WILL BE CHARGED.

*[signatures on next page]*

*[signature page to Accommodation Agreement]*

**CHRYSLER CANADA INC.**

By: *[Signature]*

I have authority to bind the Corporation

Sigmund Huber  
print name

**FORD MOTOR COMPANY**

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

I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: *[Signature]*

I have authority to bind the Corporation

Sigmund Huber  
print name

**HONDA OF AMERICA MFG., INC.**

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

I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

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

I have authority to bind the NMC Canada,  
Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

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

I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

I have authority to bind the 2515080 Nova  
Scotia Company

\_\_\_\_\_  
print name

*[signature page to Accommodation Agreement]*

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: Kelly W. Roynon <sup>1/24/09</sup>  
I have authority to bind the Corporation

Kelly W. Roynon  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation.

\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC Canada,  
Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080 Nova  
Scotia Company

\_\_\_\_\_  
print name

*[signature page to Accommodation Agreement]*

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: Robert D. Nelson AVP  
I have authority to bind the Corporation

Robert D. Nelson AVP  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC Canada,  
Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080 Nova  
Scotia Company

\_\_\_\_\_  
print name

*[signature page to Accommodation Agreement]*

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: *J. A. Amaras*  
I have authority to bind the NMC Canada,  
Inc.  
*Jyng Amaras*  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

By: *[Signature]*  
I have authority to bind the 2515080 Nova  
Scotia Company  
*JOHN CHEN*  
print name

[signature page to Accommodation Agreement]

CHRYSLER CANADA INC.

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

FORD MOTOR COMPANY

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

CHRYSLER LLC on behalf of itself and  
CHRYSLER MOTORS LLC

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

HONDA OF AMERICA MFG., INC.

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY

By: \_\_\_\_\_  
I have authority to bind the NMC Canada,  
Inc.

\_\_\_\_\_  
print name

COMERICA BANK

By: Gregory Ryan  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080 Nova  
Scotia Company

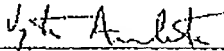
\_\_\_\_\_  
print name



Each of undersigned consent and agree to all terms and conditions of the foregoing Accommodation Agreement.

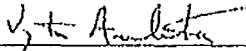
**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

By:   
Vytas Ambutas  
Its: Secretary

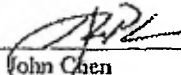
"GUARANTORS"

**NMC CANADA INC.**

By:   
Vytas Ambutas  
Its: Secretary

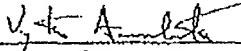
**SKD HOLDING, L.P.**

By: SKD Holding, Inc.  
Its: General Partner

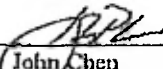
By:   
John Chen  
Its: Vice President/Treasurer

**SKD, L.P.**

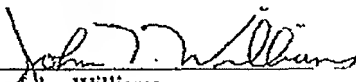
By: Quincy Holdings, Inc.  
Its: General Partner

By:   
Vytas Ambutas  
Its: Secretary

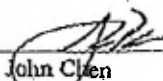
2515080 NOVA SCOTIA COMPANY

By:   
John Chen  
Its: 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

**SCHEDULE A – Chrysler Undisputed Accounts Payable, Unresolved Accounts Payable and Unresolved Commercial Issues**

**SCHEDULE B – Ford Undisputed Accounts Payable, Unresolved Accounts Payable and Unresolved Commercial Issues**

**SCHEDULE C – Honda Undisputed Accounts Payable, Unresolved Accounts Payable and Unresolved Commercial Issues**

**SCHEDULE D – Unpaid Tooling that has been completed and for which PPAP has been completed or is in process.**

**SCHEDULE E – Supplier Owned Tooling**

**EXHIBIT A – Forbearance Agreement**

**EXHIBIT B – Access Agreement**

**EXHIBIT C – Budget**

**EXHIBIT D – Allocation Percentages Among Customers**

**SKD Automotive Group**  
**SCHEDULE A: Undisputed and Unresolved AP - Chrysler- Canada**  
 as of January 9, 2009

DESCRIPTION	Undisputed	Unresolved	Total
AR - USDS	\$ -	\$ -	\$ -
AR - CAD\$	2,660,724	398,606	3,059,331
Contra - USDS	-	-	-
Contra - CAD\$	(1,890,997)	-	(1,890,997)
Net owing to SKD (CAD Converted to USD @ .82)	\$ 631,176	\$ 326,857	\$ 958,034

Note: Excludes Tooling  
 Note: Contra Amount includes amount from Chrysler's system not received by SKD for CAD \$46,409  
 Note: Payment will be net of a holdback of \$176,000, in the aggregate from all Customers, pursuant to Section 2.2(1) of the Accommodation Agreement.  
 Note: Collection of unraveled accounts receivable will be handled as addressed in the Forbearance Agreement.

DESCRIPTION	Undisputed	Unresolved	Total
AR - USDS	\$ -	\$ -	\$ -
AR - CAD\$	1,722,598	387,172	2,109,770
Contra - USDS	-	-	-
Contra - CAD\$	(3,240,097)	-	(3,240,097)
Net owing to SKD (CAD Converted to USD @ .82)	\$ (1,818,349)	\$ 317,481	\$ (1,500,868)

Note: Excludes Tooling  
 Note: Contra Amount includes amount from Chrysler's system not received by SKD for CAD \$80,609  
 Note: Payment will be net of a holdback of \$176,000, in the aggregate from all Customers, pursuant to Section 2.2(1) of the Accommodation Agreement.  
 Note: Collection of unraveled accounts receivable will be handled as addressed in the Forbearance Agreement.

**SKD Automotive Group**  
**SCHEDULE A: Chrysler - Open Commercial Issues - Canada**  
 as of January 12, 2008

Item	Description	Date	Invoice #a	CS (direct)	7AB, and 504376AC	Amount	City	Company	Contact	Phone	Email
1	Obsolescence Claim for cancelled platform (P.O.'s received - need payment confirmation)	12/17/2007	SKD Invoice #a 050301, 050302, and 050303	CS (direct)	04718666AB & 504376AC	\$17,931.07	Brampton	Windsor	Mario Pacifici - Chrysler	office for Mario: 248-576-8383 map13@chrysler.com	
2	Obsolescence Claim for cancelled platform - balance to correct for the original error in the SEECs submission	12/17/2008	12/8/08 submission in SCRS	CS (direct)	05054376AC	\$50,801.00	Brampton	Windsor	Mario Pacifici - Chrysler	office for Mario: 248-576-8383 map13@chrysler.com	
3	Obsolescence Claim for cancelled platform	12/17/2007	Claim 08-409 12/11/08 submission in SCRS	CS (Bentallor)	47566814AG / AD	\$187,354.41	Brampton	Windsor	Mario Pacifici - Chrysler Darrin Hicks - Bentallor	office for Mario: 248-576-8383 map13@chrysler.com office for Darrin: 248-225-9514	
4	Obsolescence Claim for Engineering change	Aug-07	Various	LX	047808714AJ & 15A1	\$110,023.00	Million	Brampton	Joe Cichon - Chrysler	office for Joe: 248-576-3519 jac88@chrysler.com	
6	Outstanding unpaid prior period invoices (due to AFN Internal audit Nov 2008)	8/20/08 - 8/28/08	Various	Various	Various	\$118,385.78	Brampton	Various	Chris Mondela - Chrysler	office for Chris: 566-274-7878 cm892@chrysler.com	
7	DS Control Arm shave design change incremental cost recovery	Sep-08	Proto P.D.	DS	58037500 & 1	\$12,434.00	Brampton	Warren & St. Louis	Ray Durham - Chrysler		
						\$487,022.28	Can				

# SKD Automotive Group

## SCHEDULE B: Undisputed and Unresolved AP - Ford - Canada

as of January 6, 2009

	Undisputed	Unresolved	Total
AR - USDS	\$ 13,042	\$ 22,656	\$ 35,698
AR - CAD\$	4,460,504	123,243	4,583,548
Contra - USDS	(390,244)	-	(390,244)
Contra - CAD\$	(1,784,096)	-	(1,784,096)
<b>Net owing to SKD (CAD Converted to USD @ .82)</b>	<b>\$ 1,817,289</b>	<b>\$ 123,243</b>	<b>\$ 1,940,532</b>

Note: Excludes Tooling

Note: Payment will be net of a holdback of \$176,000, in the aggregate from all Customers, pursuant to Section 2.2(1) of the Accommodation Agreement.

Note: Collection of unresolved accounts receivable will be handled as addressed in the Forbearance Agreement.

**SKD Automotive Group**  
**SCHEDULE B: Ford - Open Commercial Issues - Canada**  
 as of January 12, 2008

Item	Invoice #	Invoice Date	Invoice Due Date	Invoice Amount	Invoice Currency	Invoice Location	Invoice Description	Invoice Status	Invoice Contact
1	12/03/07 - B127/08	12/03/07	01/27/08	\$17,613.32	USD	Brampton	Various	Various	nappey@ford.com
				\$17,613.32	USD				

# SKD Automotive Group

## SCHEDULE C: Undisputed and Unresolved AP - Honda - Canada

as of January 6, 2009

	Undisputed	Unresolved	Total
AR - USDS	\$ 317,600	\$ 3,415	\$ 321,014
AR - CAD\$	925,463	34,048	959,511
Contra - USDS	-	-	-
Contra - CAD\$	(1,126,142)	-	(1,126,142)
Net owing to SKD (CAD Converted to USD @ .82)	\$ 153,042	\$ 31,334	\$ 184,376

Note: Excludes Tooling

Note: Undisputed Contra includes a steel invoice received in hard copy but not in SKD system

Note: Payment will be net of a holdback of \$176,000, in the aggregate from all Customers, pursuant to Section 2.2(1) of the Accommodation Agreement.

Note: Collection of unresolved accounts receivable will be handled as addressed in the Forbearance Agreement.



**SKD Automotive Group**  
**SCHEDULE C: HONDA - Open Commercial Issues - Canada**

NONE

**SKD Automotive Group**  
**SCHEDULE D: Unpaid Tooling - Chrysler**  
 as of January 12, 2009

Program	Component/End Item	Customer PO#(s)	Part Number on the Customer TPO	Customer's/ P.O. Amt.	PPAP Date - (Actual) or Project'd	Status	Invoice Date
DJ	52013788	T081320008 - U	n/a	\$289,973	2/28/09	S	TBD
DH	52013788	T081320008 - U	n/a	\$58,000	2/15/09	S	TBD
<b>Total Chrysler</b>				<b>\$347,973</b>			

**SKD Automotive Group**  
**SCHEDULE D: Unpaid Tooling - Ford**  
 as of January 12, 2009

Program	Component/End Item	Customer PO#(s)	Part Number on the Customer TPO	Customer's/ P.O. Amt.	PPAP Date - (Actual) or Project'd	Status	Invoice Date
U887	9T43-780210G-AB	TPO 889829	n/a	\$64,995	1/30/09	S	TBD
U887	9T43-16D784-AA	TPO 889829	n/a	\$140,000	12/15/08 (late)	S	TBD
<b>Total Ford</b>				<b>\$204,995</b>			

**SKD Automotive Group**  
**SCHEDULE D: Unpaid Tooling - Honda**

NONE

**SCHEDULE E TO THE ACCOMMODATION AGREEMENT**

**Supplier Owned Tooling**

**NONE**

**EXHIBIT A**  
**FORBEARANCE AGREEMENT**

(see attached)

January 21, 2009

SKD Automotive Group, Limited Partnership  
 1965 Pratt Boulevard  
 Elk Grove, IL 60007

- and -

SKD Company  
 375 Wheelabrator Way  
 Milton, Ontario, Canada L9T 3C1

**RE: FINANCING ARRANGEMENTS AMONG COMERICA BANK ("BANK"), SKD AUTOMOTIVE GROUP, LIMITED PARTNERSHIP ("AUTOMOTIVE"), SKD COMPANY ("SKD," TOGETHER WITH AUTOMOTIVE, "BORROWERS"), 2515080 NOVA SCOTIA COMPANY ("NOVA SCOTIA"), NMC CANADA, INC. ("NMC"), EASSA MEXICO, S. DE R.L. DE C.V. ("EASSA"), SKD DE MEXICO, S. DE R.L. DE C.V. ("SKD MEXICO"), SKD, L.P. ("SKD LP"), AND SKD HOLDING, L.P. ("HOLDING," COLLECTIVELY WITH NOVA SCOTIA, NMC, EASSA, SKD MEXICO, AND SKD LP, "GUARANTORS")**

Ladies and Gentlemen:

Please refer to any and all documents, instruments, and agreements executed in connection with the financing arrangements from Bank to Borrowers and Guarantors (collectively, the "Loan Documents"). All amounts due from Borrowers to Bank, whether now or in the future, contingent, fixed, primary and/or secondary, including, but not limited to, principal, interest, inside and outside counsel fees, audit fees, costs, expenses, and any and all other charges provided for in the Loan Documents shall be known, in the aggregate, as the "Liabilities." All capitalized terms not defined in this letter agreement ("Agreement") shall have the meanings described in the Loan Documents.

As of January 18, 2009, the Liabilities include, but are not limited to, the following:

<u>Loans (original loan amount and date)</u>	<u>Principal</u>	<u>Interest</u>
Revolving Credit Agreement (US\$45,000,000 (as amended); 12/14/04)	US\$15,101,374.46 <sup>1</sup>	US\$85,760.41

<sup>1</sup> Includes U. S. and Canadian portions (\$6,469,035.47) and subordinated participations of \$2,179,000 purchased by certain of Borrowers' customers.

The amounts referenced above are exclusive of interest accruing after January 18, 2009, accrued and accruing costs and expenses (including, but not limited to, inside and outside counsel fees).

Borrowers are in default under the Loan Documents. Among other things, the Revolving Facility matured on December 1, 2008 and Borrowers failed to maintain an EBITDA of not less than \$2,450,000 for the month ending August 31, 2008 and the following months ("Existing Defaults"). Other defaults may exist.

Subject to timely, written acceptance by Borrowers and Guarantors of the following conditions, and, with respect only to SKD, Nova Scotia and NMC subject to approval of this agreement by the Court in their CCAA proceeding, Bank is willing to forbear until February 28, 2009, subject to earlier termination as provided below, from further action to collect the Liabilities:

1. Borrowers and Guarantors acknowledge the Liabilities as set out in the Loan Documents, the amount of the Liabilities as stated above, and the existence of the Existing Defaults. Borrowers and Guarantors acknowledge and agree that Bank may make demand for repayment of the Liabilities, and that such demand would be timely and proper. Each of the Borrowers and Guarantors acknowledges and agrees that it received from the Bank the notice (the "244 Notice") prescribed by section 244 of the *Bankruptcy and Insolvency Act*, and it does not dispute the validity or effectiveness of the 244 Notice, and, it waives the 10 day period set out therein and consents to the immediate enforcement of the Loan Documents immediately upon termination of the forbearance hereunder. Borrowers and Guarantors further acknowledge and agree that they received a demand letter from Bank demanding payment in full of the Liabilities and that Bank has not withdrawn and will not withdraw the demand letters or the 244 Notice, all of which remain in full force and effect.
2. Future administration of the Liabilities and the financing arrangements among Bank, Borrowers, and Guarantors shall continue to be governed by the covenants, terms, and conditions of the Loan Documents, which are ratified and confirmed and incorporated by this reference (for clarity, this includes, without limitation, a ratification and confirmation of all guaranties of the Liabilities by Guarantors), except to the extent that the Loan Documents have been superseded, amended, modified, or supplemented by this Agreement or are inconsistent with this Agreement, then this Agreement shall govern.
3. Except as provided in paragraph 4(b) below with respect to the Participation Amount (defined below), Borrowers and Guarantors acknowledge Bank is under no obligation to advance funds or extend credit to Borrowers under the Loan Documents, or otherwise. Notwithstanding anything in the Loan Documents or this Agreement to the contrary, Bank is under no obligation to, and does not intend to, issue any Letters of Credit for the benefit of Borrowers or Guarantors or enter into any Hedge Contracts with Borrowers or Guarantors.
4. (a) Provided there are no defaults under the terms of this Agreement, and no defaults under the Loan Documents (other than the Existing Defaults), Bank may, in its sole discretion, continue to advance to Borrowers under the Revolving Credit



Agreement, in accordance with the Loan Documents, through February 28, 2009. Effective immediately, the maximum principal amount available under the Revolving Facility shall be reduced from US\$45,000,000 to US\$18,000,000 (including L/C Obligations, if any) plus the amount of participations purchased from Bank under a separate Subordinated Participation Agreement dated January 12, 2009 ("Participation Amount"). In the event, at any time, the balance on the Revolving Facility (including L/C Obligations, if any) exceeds (i) US\$18,000,000 plus the Participation Amount or (ii) the Borrowing Base, no advances will be allowed. Each borrowing request must be accompanied by an accounts receivable report, in form satisfactory to Bank, with a minimum of one report every Monday and Thursday.

- (b) Absent a default under this Agreement or the Loan Documents (other than the Existing Defaults), in the event Bank in its discretion determines not to continue to lend to Borrowers prior to February 28, 2009, Bank will nonetheless advance to Borrowers the balance of any Participation Amount not previously advanced to Borrowers by Bank, provided that, and only to the extent that, such advance will constitute an in-formula advance under the Borrowing Base. For the purposes of this section 4(b), advances under the Revolving Credit Agreement will be deemed to be advances of the Participation Amount component of the Borrower Base first, as opposed to advances under any other component of the Borrowing Base.
5. Effective immediately, Section 1.14.1 of the Revolving Credit Agreement dated December 13, 2007, as amended, is amended to read in its entirety as follows:

"1.14.1 Borrowing Base means, as of any date of determination, the aggregate of (i) 90.0% of Eligible Accounts owing to each Formula Party, plus (ii) the amount of participations purchased from Bank under that certain separate Subordinated Participation Agreement, dated January 12, 2009, as it may be modified, amended or restated, plus (iii) 50.0% of Eligible Inventory owned by such Formula Party, plus (iv) the Fixed Asset Allowance, less (v) the Reserve Amount, less (vi) such reserves as Lender may, in the normal course of its operations from time to time having reference to its credit policies in force at the relevant time, determine in connection with Priority Payables (the reserve for Priority Payables at all times in an amount that is no less than 100% of the amount of the Priority Payables existing from time to time, as reported by Canadian Borrower), less (vii) a reserve with respect to Hedge Contracts entered into by a Borrower with Lender as established by Lender from time to time based on Lender's determination of Borrowers' Hedging Liabilities to Lender, less (viii) reserves under paragraph 14 of that certain Forbearance Agreement among Lender, Borrowers and others dated January 21, 2009," and less (ix) any charges senior to the Liabilities created by order of the Court in any CCAA proceedings".

6. From and after the date of this letter, non-default interest shall accrue on the Liabilities as provided in the attached Addendum A. Upon the occurrence of a default under the terms of this Agreement or any further defaults under the Loan Documents (other than Existing Defaults), then interest shall accrue on the Liabilities at the rate otherwise provided in this paragraph plus three percent (3%).
7. Borrowers shall continue to employ Conway MacKenzie & Dunleavy, or another consulting firm acceptable to Bank, to assist Borrowers with the orderly wind-down or sale of their operations.
8. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide for and they shall reimburse for any and all costs and expenses of Bank, including, but not limited to, all inside and outside counsel fees of Bank whether in relation to any CCAA proceeding, drafting, negotiating, or enforcement or defense of the Loan Documents or this Agreement, including any preference or disgorgement actions as defined in this Agreement and all of Bank's audit fees, incurred by Bank in connection with the Liabilities, Bank's administration of the Liabilities, and any efforts of Bank to collect or satisfy all or any part of the Liabilities. Borrowers and Guarantors shall immediately reimburse Bank for all of Bank's costs and expenses upon Bank's demand.
9. Loan payments, interest on the Liabilities, loan administration expenses, including, but not limited to, all inside and outside counsel fees of Bank and Bank's audit fees, may be charged directly to any of Borrowers' accounts maintained with Bank.
10. Borrowers and Guarantors acknowledge and agree that they are on a "remittance basis" under Section 3 of the Security Agreements dated December 15, 2004 among Borrowers, Guarantors and Bank. Borrowers and Guarantors shall hold in express trust for Bank and immediately surrender in the form received all of its cash inflows (other than in-formula borrowings from Bank) to Bank by depositing such inflows into accounts maintained at Bank or subject to a control agreement for the benefit of the Bank. All such inflows will be subject to paragraph 14 applied to the Liabilities.
11. Unless otherwise agreed by Bank in writing, by the later of January 23, 2009, or three business days after the forms of control agreements, blocked account agreements and attendant documents are provided to Borrowers and Guarantors for execution, Borrowers and Guarantors will maintain all commercial accounts with Bank under the Financial Services Agreement(s) and other related documentation entered into by the Borrowers and Guarantors in favor of Bank (in accounts with respect to which Bank has an account control agreement if such account control agreement is required by Bank to perfect its security interest in the accounts or the collateral maintained therein) (the "Comerica Accounts") or in accounts at other banks with respect to which Bank has an account control agreement (if such account control agreement is required by Bank to perfect its security interest in the account or the collateral maintained therein) and a blocked account agreement. For Borrowers' and Guarantors' existing accounts (other than the Comerica Accounts), Borrowers shall enter into account control agreements (if such account control agreements are required by Bank to perfect its security interest in the accounts or the

collateral maintained therein) and blocked account agreements with Bank by the later of January 23, 2009, or three business days after the forms of control agreements, blocked account agreements and attendant documents are provided to them for execution. Effective immediately, on a daily basis, Borrowers and Guarantors shall wire transfer any funds held at Toronto Dominion Bank, Bank of America, or any other financial institution, to the cash collateral account at Bank (account no. 1852504693). Borrowers may fund from in-formula borrowings from Bank only: (i) its separate payroll accounts for estimated accrued but unpaid payroll obligations (which are payroll, vacation pay, contributions to registered pension plans, and related governmental remittances for Income Tax, Employment Insurance and Canada Pension Plan), issued but uncashed payroll checks, vacation pay and other ordinary course payroll obligations, all such items not to exceed \$2,500,000 at any given time, and (ii) one or more other accounts not to exceed amounts from time to time agreed to by a Borrower or Guarantor and Bank to fund other trust obligations, including, without limitation, Canadian federal goods and services tax and provincial retail sales tax obligations (the accounts in (i) and (ii), the "Trust Accounts"). All Trust Accounts must be trust accounts for the benefit of the payees of the obligations described above. Notwithstanding the termination of Bank's forbearance, Bank agrees: (x) not to sweep the Trust Accounts, but only to the extent funds are deposited there in accordance with this paragraph, and (y) to permit the continued issuance and clearance of checks drawn against and other withdrawals of funds in the Trust Accounts for the purpose of paying the obligations for which such accounts were funded. Borrowers and Guarantors shall provide Bank with a weekly report of all transactions from any account that Borrowers or Guarantors have with any financial institution besides Bank, and Borrowers and Guarantors shall provide Bank with a copy of all monthly statements from such accounts.

12. Borrowers and Guarantors are parties to certain Loan Documents with or between them and Comerica Bank, a Michigan banking corporation (the "Merged Bank"). The Merged Bank has been merged with and into Comerica Bank, a Texas banking association (the "Surviving Bank"). Borrowers and Guarantors acknowledge and agree that any reference in the Loan Documents to Comerica Bank, a Michigan banking corporation, shall mean Comerica Bank, a Texas banking association, as successor by merger to the Merged Bank.
13. Borrowers and Guarantors acknowledge and agree the Loan Documents presently provide and they shall permit Bank to conduct such fair market value appraisals, inspections, surveys, and testing, whether for environmental contamination or otherwise, that Bank deems necessary, on any and all real and personal property upon which Bank may possess a mortgage or security interest securing the Liabilities, and the cost of such appraisals, inspections, surveys, and testing are part of the costs and expenses for which the Borrowers and Guarantors must reimburse Bank.
14. Notwithstanding anything to the contrary herein, Bank reserves the right, in its sole discretion, to determine the application of the proceeds of all unusual or extraordinary items (including, by way of example, tax refunds, insurance proceeds, or sale proceeds, other than collection of accounts for inventory sold in the ordinary course of business) to

the various obligations of Borrowers to Bank. Those proceeds may be held as cash collateral, or if Bank applies them to the Revolving Facility, Bank may impose a reserve equal to the amount applied. This reserve will be in addition to the Reserve Amount and any other reserves provided under the Loan Documents. Notwithstanding the foregoing, Bank agrees that it will apply to the Liabilities 100% of all payments in good funds on account of commercial claims from those customers of Borrowers that are parties to an accommodation agreement with Borrowers and Bank and reserve 50% (as opposed to 100%).

15. To the extent any payment received by Bank is deemed a preference, fraudulent transfer, or otherwise by a court of competent jurisdiction which requires the Bank to disgorge such payment then, such payment will be deemed to have never occurred and the Liabilities will be adjusted accordingly.
16. This Agreement shall be governed and controlled in all respects by the laws of the State of Michigan, without reference to its conflict of law provisions, including interpretation, enforceability, validity, and construction.
17. Bank expressly reserves the right to exercise any or all rights and remedies provided under the Loan Documents and applicable law except as modified herein. Bank's failure to exercise immediately such rights and remedies shall not be construed as a waiver or modification of those rights or an offer of forbearance.
18. This Agreement will inure to the benefit of Bank and all its past, present, and future parents, subsidiaries, affiliates, predecessors, and successor corporations and all of their subsidiaries and affiliates.
19. Bank anticipates that discussions addressing the Liabilities may take place in the future. During the course of such discussions, Bank, Borrowers, and Guarantors, may touch upon and possibly reach a preliminary understanding on one or more issues prior to concluding negotiations. Notwithstanding this fact and absent an express written waiver by Bank, Bank will not be bound by an agreement on any individual issues unless and until an agreement is reached on all issues and such agreement is reduced to writing and signed by Borrowers and Guarantors and Bank.
20. As of the date of this Agreement, there are no other offers outstanding from Bank to Borrowers and Guarantors. Any prior offer by Bank, whether oral or written is hereby rescinded in full. There are no oral agreements between Bank and Borrowers and Guarantors; any agreements concerning the Liabilities are expressed only in the existing Loan Documents. The duties and obligations of Borrowers and Guarantors and Bank shall be only as set forth in the Loan Documents and this Agreement, when executed by all parties.
21. Borrowers and Guarantors 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 Bank or any other person or entity.
22. **BORROWERS, GUARANTORS, AND BANK ACKNOWLEDGE AND AGREE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT, THE LOAN DOCUMENTS OR THE LIABILITIES.**
23. **DEFAULTS HAVE OCCURRED UNDER THE LOAN DOCUMENTS. BORROWERS AND GUARANTORS, TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, WAIVE ALL NOTICES THAT BANK MIGHT BE REQUIRED TO GIVE BUT FOR THIS WAIVER, INCLUDING ANY NOTICES OTHERWISE REQUIRED UNDER SECTION 6 OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MICHIGAN OR THE RELEVANT STATE CONCERNING THE APPLICABLE COLLATERAL (AND UNDER ANY SIMILAR RIGHTS TO NOTICE GRANTED IN ANY ENACTMENT OF REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE). FURTHERMORE, BORROWERS AND GUARANTORS WAIVE (A) THE RIGHT TO NOTIFICATION OF DISPOSITION OF THE COLLATERAL UNDER § 9-611 OF THE UNIFORM COMMERCIAL CODE, (B) THE RIGHT TO REQUIRE DISPOSITION OF THE COLLATERAL UNDER § 9-620(E) OF THE UNIFORM COMMERCIAL CODE, AND (C) ALL RIGHTS TO REDEEM ANY OF THE COLLATERAL UNDER § 9-623 OF THE UNIFORM COMMERCIAL CODE.**
24. **BORROWERS AND GUARANTORS, IN EVERY CAPACITY, INCLUDING, BUT NOT LIMITED TO, AS SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, INVESTORS AND/OR CREDITORS OF BORROWERS AND/OR GUARANTORS, OR ANY ONE OR MORE OF THEM, HEREBY WAIVE, DISCHARGE AND FOREVER RELEASE BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS, FROM AND OF ANY AND ALL CLAIMS, CAUSES OF ACTION, DEFENSES, COUNTERCLAIMS OR OFFSETS AND/OR ALLEGATIONS BORROWERS AND/OR GUARANTORS MAY HAVE OR MAY HAVE MADE OR WHICH ARE BASED ON FACTS OR CIRCUMSTANCES ARISING AT ANY TIME UP THROUGH AND INCLUDING THE DATE OF THIS AGREEMENT, WHETHER KNOWN OR UNKNOWN, AGAINST ANY OR ALL OF BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS.**

25. This Agreement may be executed in counterparts and delivered by facsimile and the counterparts and/or facsimiles, when properly executed and delivered by the signing deadline, will constitute a fully executed complete agreement.
26. Borrowers and Guarantors shall properly execute this Agreement and deliver same to the undersigned by no later than January 21, 2009.

Bank reserves the right to terminate its forbearance prior to February 28, 2009, in the event of any new defaults under the Loan Documents, defaults under this Agreement, defaults under either of the Accommodation Agreements among Borrowers, Guarantors, Bank and certain customers of approximate even date with this Agreement, in the event of further deterioration in the financial condition of Borrowers or Guarantors, or further deterioration in Bank's collateral position, or in the event Bank, for any reason, believes that the prospect of payment or performance is impaired.

Very truly yours,

---

Gregory M. Ryan  
 Vice President  
 Comerica Bank  
 One Detroit Center  
 500 Woodward Avenue, 4th Floor  
 Detroit, MI 48226  
 (313) 222-9467  
 Fax: (313) 222-1244

ACKNOWLEDGED AND AGREED:

**"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: \_\_\_\_\_

Vyta Ambutas

Its: Secretary



**ADDENDUM A**

Subject to the terms and conditions of this Addendum A, the unpaid principal balance of the Liabilities outstanding from time to time shall bear interest at the Daily Adjusting LIBOR Rate, except during any period of time during which, in accordance with the terms and conditions of this Addendum A, the Liabilities shall bear interest at the Prime-based Rate.

Interest shall be computed on the basis of a 360 day year and shall be assessed for the actual number of days elapsed, and in such computation, effect shall be given to any change in the Applicable Interest Rate as a result of any change in the Daily Adjusting LIBOR Rate or, to the extent applicable, the Prime-based Rate on the date of each such change in the Daily Adjusting LIBOR Rate or, to the extent applicable, the Prime-based Rate.

In no event shall the interest payable on the Liabilities at any time exceed the maximum rate permitted by law.

In the event that the Daily Adjusting LIBOR Rate is not available to Borrower(s) as the Applicable Interest Rate hereunder for the Liabilities outstanding, the Prime-based Rate shall be the Applicable Interest Rate hereunder in respect of such Liabilities for such period, subject in all respects to the terms and conditions of this Addendum A.

If Bank shall designate a LIBOR Lending Office which maintains books separate from those of the rest of Bank, Bank shall have the option of maintaining and carrying the Liabilities on the books of such LIBOR Lending Office.

If Bank determines that, (a) Bank is unable to determine or ascertain the Daily Adjusting LIBOR Rate, or (b) by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars in the applicable amounts or for the relative maturities are not being offered to Bank, or (c) the Daily Adjusting LIBOR Rate will not accurately or fairly cover or reflect the cost to Bank of maintaining any of the Liabilities at the Daily Adjusting LIBOR Rate, then Bank shall forthwith give notice thereof to Borrower(s). Thereafter, until Bank notifies Borrower(s) that such conditions or circumstances no longer exist, any obligation of Bank to maintain any of the Liabilities at the Daily Adjusting LIBOR Rate shall be suspended, and the Prime-based Rate shall be the Applicable Interest Rate for all Liabilities during such period of time.

If, after the date hereof, the introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by Bank (or its LIBOR Lending Office) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for the Bank (or its LIBOR Lending Office) to make or maintain any portion of the Liabilities with interest at the Daily Adjusting LIBOR Rate, Bank shall forthwith give notice thereof to Borrower(s). Thereafter, (a) until Bank notifies Borrower(s) that such conditions or circumstances no longer exist, any obligation of Bank to maintain any of the Liabilities at the Daily Adjusting LIBOR Rate shall be suspended, and the Prime-based Rate shall be the Applicable Interest Rate with respect to the Liabilities, and (b) if

Bank may not lawfully continue to maintain the Liabilities at the Daily Adjusting LIBOR Rate, the Prime-based Rate shall be the Applicable Interest Rate with respect to the Liabilities.

Further, at any time upon prior written notice to Borrower(s), Bank may, in its sole discretion, based upon its good faith belief that the Prime-based Rate is an appropriate basis for its floating rate loans, suspend use of the Daily Adjusting LIBOR Rate as the Applicable Interest Rate hereunder, at which time, the Prime-based Rate shall thereafter be the Applicable Interest Rate for all the Liabilities, unless Bank, in its sole discretion based upon its good faith belief that the Prime-based Rate is no longer an appropriate basis for its floating rate loans, rescinds such notice, in which case, the Daily Adjusting LIBOR Rate shall, upon written notice from Bank to Borrower(s), again be the Applicable Interest Rate for all the Liabilities.

If the adoption after the date hereof, or any change after the date hereof in, any applicable law, rule or regulation (whether domestic or foreign) of any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Bank (or its LIBOR Lending Office) with any request or directive (whether or not having the force of law) made by any such authority, central bank or comparable agency after the date hereof: (a) shall subject Bank (or its LIBOR Lending Office) to any tax, duty or other charge with respect to the Liabilities, or shall change the basis of taxation of payments to Bank (or its LIBOR Lending Office) of the principal of or interest with respect to the Liabilities or any other amounts due with respect to the Liabilities (except for changes in the rate of tax on the overall net income of Bank or its LIBOR Lending Office imposed by the jurisdiction in which Bank's principal executive office or LIBOR Lending Office is located); or (b) shall impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank (or its LIBOR Lending Office), or shall impose on Bank (or its LIBOR Lending Office) or the foreign exchange and interbank markets any other condition affecting the Liabilities; and the result of any of the foregoing is to increase the cost to Bank of maintaining any part of the Liabilities or to reduce the amount of any sum received or receivable by Bank with respect to the Liabilities by an amount deemed by the Bank to be material, then the applicable Borrower(s) shall pay to Bank, within fifteen (15) days of receipt by Borrower(s) of written notice from Bank demanding such compensation, such additional amount or amounts as will compensate Bank for such increased cost or reduction.

A certificate of Bank, prepared in good faith and in reasonable detail by Bank and submitted by Bank to Borrower(s), setting forth the basis for determining such additional amount or amounts necessary to compensate Bank shall be conclusive and binding for all purposes, absent manifest error.

In the event that any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not presently applicable to Bank, or any interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof, or compliance by Bank with any guideline, request or directive of any such authority (whether or not having the force of law), including any risk-based capital guidelines, affects or would affect the amount of capital required or expected to be maintained by

Bank (or any corporation controlling Bank), and Bank determines that the amount of such capital is increased by or based upon the existence of any obligations of Bank with respect to the Liabilities or the maintaining of any of the Liabilities, and such increase has the effect of reducing the rate of return on Bank's (or such controlling corporation's) capital as a consequence of such obligations or the maintaining of such Liabilities to a level below that which Bank (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy), then Borrower(s) shall pay to Bank, within fifteen (15) days of receipt by Borrower(s) of written notice from Bank demanding such compensation, additional amounts as are sufficient to compensate Bank (or such controlling corporation) for any increase in the amount of capital and reduced rate of return which Bank reasonably determines to be allocable to the existence of any obligations of the Bank with respect to the Liabilities or to maintaining any of the Liabilities.

A certificate of Bank as to the amount of such compensation, prepared in good faith and in reasonable detail by the Bank and submitted by Bank to Borrower(s), shall be conclusive and binding for all purposes absent manifest error.

For the purposes of this Addendum A, the following terms have the following meanings:

- (a) "Applicable Interest Rate" means either the Daily Adjusting LIBOR Rate or (subject to the terms of this Addendum) the Prime-based Rate, as determined in accordance with the terms and conditions of this Addendum A.
- (b) "Applicable Margin" means four and one half percent (4.5%).
- (c) "Business Day" means any day, other than a Saturday, Sunday or any other day designated as a holiday under Federal or applicable State statute or regulation, on which Bank is open for all or substantially all of its domestic and international business (including dealings in foreign exchange) in Detroit, Michigan, and, in respect of notices and determinations relating to the Daily Adjusting LIBOR Rate, also a day on which dealings in dollar deposits are also carried on in the London interbank market and on which banks are open for business in London, England.
- (d) "Daily Adjusting LIBOR Rate" means, for any day, a per annum interest rate which is equal to the sum of the Applicable Margin, plus the quotient of the following:
  - (i) for any day, the per annum rate of interest determined on the basis of the rate for deposits in United States Dollars for a period equal to one (1) month, appearing on Page BBAM of the Bloomberg Financial Markets Information Service as of 11:00 a.m. (Detroit, Michigan time) (or as soon thereafter as practical), on such day, or if such day is not a Business Day, on the immediately preceding

Business Day. In the event that such rate does not appear on Page BBAM of the Bloomberg Financial Markets Information Service (or otherwise on such Service) on any day, the "Daily Adjusting LIBOR Rate" for such day shall be determined by reference to such other publicly available service for displaying eurodollar rates as may be agreed upon by Bank and Borrower(s), or, in the absence of such agreement, the "Daily Adjusting LIBOR Rate" for such day shall, instead, be determined based on the average of the rates at which Bank is offered dollar deposits at or about 11:00 a.m. (Detroit, Michigan time) (or soon thereafter as practical), on such day, or if such day is not a Business Day, on the immediately preceding Business Day, in the interbank eurodollar market in an amount comparable to the principal amount of Indebtedness hereunder which is to bear interest at such Daily Adjusting LIBOR Rate and for a period of one (1) month;

divided by

- (ii) a percentage (expressed as a decimal) equal to 1.00 minus the maximum rate on such date at which Bank is required to maintain reserves on "Euro-currency Liabilities" as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Bank is required to maintain reserves against a category of liabilities which includes eurodollar deposits or includes a category of assets which includes eurodollar loans, the rate at which such reserves are required to be maintained on such category.
- (e) "LIBOR Lending Office" means Bank's office located in the Cayman Islands, British West Indies, or such other branch of Bank, domestic or foreign, as it may hereafter designate as its LIBOR Lending Office by notice to the Borrower(s).
- (f) "Prime Rate" shall mean the per annum interest rate established by Bank as its prime rate for its borrowers, as such rate may vary from time to time, which rate is not necessarily the lowest rate on loans made by Bank at any such time.
- (g) "Prime-based Rate" shall mean a per annum interest rate which is equal to the sum of the Applicable Margin plus the greater of (i) the Prime Rate; or (ii) the rate of interest equal to the sum of (a) one percent (1%) and (b) the rate of interest equal to the average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers (the "Overnight Rates"), as published by the Federal Reserve Bank of New York, or, if the Overnight Rates are not so published for any day, the average of the quotations for the Overnight

Rates received by Bank from three (3) Federal funds brokers of recognized standing selected by Bank, as the same may be changed from time to time.

**THE MAXIMUM INTEREST RATE SHALL NOT EXCEED 25% PER ANNUM, OR THE HIGHEST APPLICABLE USURY CEILING, WHICHEVER IS LESS.**

**EXHIBIT B**  
**ACCESS AGREEMENT**

(see attached)

## ACCESS AND SECURITY AGREEMENT

This Access and Security Agreement (the "Agreement"), by and among SKD Company ("Supplier"), and Ford Motor Company ("Ford"), Chrysler Canada Inc. ("Chrysler Canada"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC (together with Chrysler Canada, "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") (collectively, the "Customers") is entered into this 21<sup>st</sup> day of January, 2009 (the "Effective Date").

### RECITALS

A. Pursuant to various commitments, purchase orders, supply agreements and/or releases issued by each Customer and accepted by Supplier (collectively, the "Purchase Orders" or individually, a "Purchase Order"), Supplier is obligated to manufacture, and each Customer is obligated to pay for, each Customer's requirements of certain component parts, service parts or assembled goods (collectively, the "Component Parts" or individually, a "Component Part").

B. Supplier is currently indebted to Comerica (the "Comerica Indebtedness") pursuant to certain credit facilities provided by Comerica Bank ("Comerica") to Supplier and SKD Automotive Group, Limited Partnership (the "Comerica Facilities"). To secure the Comerica Indebtedness, Comerica has been granted security over the real and personal property and assets of Supplier.

C. The Comerica Facilities have matured, but Comerica has agreed to enter into forbearance arrangements with Supplier, provided that arrangements acceptable to Comerica can be entered into between Supplier and the Customers.

D. As a result of Supplier's financial difficulties, Supplier currently anticipates that it will commence a proceeding (the "CCAA Proceeding") under the *Companies' Creditors Arrangement Act* (the "CCAA") in the Ontario Superior Court of Justice (the "Court"). Supplier has requested that the Customers provide financial and other accommodations to Supplier during the CCAA Proceeding, and the Customers have requested that Comerica and Supplier provide certain assurances and acknowledgements to the Customers regarding, among other things, Supplier's ongoing production of Component Parts for the Customers.

E. The financial advisor to Supplier, Conway MacKenzie, Inc., and RSM Richter Inc., the proposed court-appointed monitor in CCAA Proceeding (the "Monitor"), are working with Supplier to consider alternatives to restructure Supplier's business, that may include a sales process (the "Restructuring Process").

F. Supplier has requested that the Customers provide certain financial and other accommodations to Supplier during the Restructuring Process and, similarly, due to the concerns and uncertainties surrounding Supplier's financial condition, Comerica and the Customers have requested certain acknowledgements and agreements from Supplier and each other to induce Comerica and the Customers to provide those accommodations, all as set forth in the Accommodation Agreement (the "Accommodation Agreement") of even date herewith. In

consideration of the accommodations provided by Customers, Supplier has agreed to grant Customers a "Right of Access" (as defined below) to those facilities listed in Exhibit A attached hereto (the "Facilities").

G. Supplier acknowledges that any material delay in production of the Component Parts or a default under the Purchase Orders will cause Customers irreparable harm.

H. Supplier is entering into this Agreement to afford Customers the right to use certain of Supplier's assets located at the Facilities as provided below if a Default (as defined below) occurs.

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

### TERMS AND CONDITIONS

1. Defined Terms. In addition to those terms defined elsewhere in this Agreement, the following terms have the indicated meanings, unless the context otherwise requires:

"Accounts" means (i) all accounts receivable, contract rights, book debts, notes, drafts, instruments, documents, acceptances, payments under leases and other forms of obligations, now owned or hereafter received or acquired by or belonging or owing to the Supplier (including under any trade name, styles, or division thereof) whether arising out of goods sold or leased or services rendered by the Supplier or from any other transaction, whether or not the same involves the sale of goods or services by the Supplier (including, without limitation, any such payment obligation or right to payment which might be characterized as an account, contract right, general intangible, or chattel paper under the Code in effect in any jurisdiction); (ii) all monies due to or to become due to the Supplier under all contracts for the sale or lease of goods or the performance of services by the Supplier (whether or not yet earned by performance on the part of the Supplier) now in existence or hereafter arising; and (iii) deposit accounts, insurance refunds, tax refunds, tax refund claims and related cash and cash equivalents, now owned or hereafter received or acquired by or belonging or owing to Supplier.

"Contract Rights" means all rights of the Supplier (excluding payments) under each "Contract" (defined below).

"Contracts" or individually, "Contract", means, any licensing agreements and any and all other contracts, supply agreements, or other agreements used in the manufacture, production or assembly of Component Parts and in or under which the Supplier may now or hereafter have any right, title, or interest and which pertain to the manufacture, production or assembly of Component Parts and which pertain to the lease, sale, or other disposition by the Supplier of "Equipment" (defined below), "Inventory" (defined below), fixtures, real property, or the right to use or acquire personal property, as any of the same may from time to time be amended, supplemented, or otherwise modified.



**"Default"** means an "Event of Default" occurs under the Accommodation Agreement or if Comerica ceases funding prior to February 28, 2009 for any reason.

**"Documents"** means all documents of title now owned or hereafter acquired by Supplier as an owner.

**"Equipment"** means all machinery, equipment, vehicles, furnishings, and fixtures now owned or hereafter acquired by Supplier, including, without limitation, all items of machinery and equipment of any kind, nature and description, whether affixed to real property or not, as well as all additions to, substitutions for, replacements of or accessions to any of the foregoing items and all attachments, components, parts (including spare parts), and accessories whether installed thereon or affixed thereto in each case to the extent used in the manufacture or production of the Component Parts.

**"General Intangibles"** means all customer lists, rights in intellectual property, goodwill, trade names, service marks, trade secrets, patents, trademarks, copyrights, applications therefore, permits, licenses, now owned or hereafter acquired by Supplier which pertain to the manufacture, production or assembly of Component Parts, but excluding items described in the definition of Accounts.

**"Instruments"** means all negotiable instruments now owned or hereafter acquired by Supplier.

**"Intellectual Property"** means all now existing or hereafter acquired patents, trademarks, copyrights, inventions, licenses, discoveries, processes, know-how, techniques, trade secrets, designs, specifications and the like (regardless of whether such items are now patented or registered, or registerable, or patentable in the future), and all technical, engineering, or other information and knowledge, production data and drawings, which are used in the manufacture, production or assembly of the Component Parts.

**"Inventory"** means all goods and other personal property now or hereafter owned by Supplier which are leased or held for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in Supplier's business, or in the processing, packaging or shipping of the same, and all finished goods.

**"Loan Documents"** means collectively, any loan agreements, any notes, any security agreements, pledge agreements, assignments, deeds of trust, mortgages or other encumbrances or agreements which secure or relate to any obligations owing to Comerica.

**"Obligations"** means the obligation to provide any Customer or its designee(s) the "Right of Access" (as defined below).

**"Operating Assets"** means Supplier's assets, wherever located, including those located at or about the facilities listed on Exhibit A which are necessary or useful for

production of the Component Parts, including Equipment, Contract Rights, and General Intangibles (other than deposit accounts, insurance refunds, tax refund claims and related cash and cash equivalents), but specifically excluding any Accounts, Inventory, Documents, Instruments, Chattel Paper, payments under Contracts and Proceeds of such excluded items and Proceeds of General Intangibles.

"Proceeds" means (i) any and all proceeds of any insurance, indemnity, warranty, or guarantee payable to the Supplier from time to time with respect to any of the "Collateral" (defined in paragraph 2 below); (ii) any and all payments (in any form whatsoever) made or due and payable to the Supplier from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau, or agency (or any Person acting under color of governmental authority); and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Real Estate" means all real property listed on Exhibit A.

2. Grant of Liens and Security Interests. As collateral security for the Obligations, Supplier hereby grants to Customers a continuing security interest (the "Customers' Security") in the Operating Assets and the Real Estate, whether now owned or hereafter acquired by Supplier, or in which Supplier now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"). Further, Supplier hereby grants Customers permission to file any financing statements and/or mortgages deemed necessary by Customers to perfect its security interest granted hereby. The security interests granted to Customers pursuant to this Agreement to secure the Obligations is junior to the liens and security interests granted to Comerica and to the charges granted in the initial order made in the CCAA Proceeding (the "CCAA Charges"), but in all cases, Comerica's exercise of its rights and remedies with respect to its liens and security interests is subject to the terms of this Agreement. Comerica and the holders of any CCAA Charges may take any necessary action to protect their rights in the Collateral, conditioned upon such action not impairing the Customer's "Right of Access" (as defined below). The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the security interest created hereunder, but the Supplier agrees to stand possessed of such last day in trust for the Customer. To the extent that the creation of the security interest hereunder would constitute a breach or cause the acceleration of any agreement, contract, lease, license or permit to which the Supplier is a party, the security interest shall not attach thereto, but the Supplier shall hold its interest therein in trust for the Customer, and the security interest shall attach to such agreement, contract, lease, license or permit forthwith upon obtaining the consent of the other party thereto.

Supplier shall not grant any person not a party hereto a similar right of access except on terms acceptable to the Customers and Comerica.

3. Right of Access.

(a) General. Supplier acknowledges that any delay in the production, processing or shipment of Component Parts, and any defaults under the Purchase Orders or the Accommodation Agreement may cause Customers irreparable harm. To address Customers'

concern in this regard, subject to termination pursuant to Section 13, Supplier hereby grants to each Customer or its designee(s) the non-exclusive right, without creating an obligation, to use and occupy the Operating Assets and the Real Estate, to manufacture, process and/or ship Component Parts (the "Right of Access") for a period of up 90 days from the date such Customer provides the written notice referenced below ("Occupancy Period") upon the occurrence of a Default. In any event, the Occupancy Period and the Right of Access terminate on the sale of the Operating Assets to a "Qualified Buyer" as defined in the Accommodation Agreement. Any one or more of the Customers, as applicable, may invoke the Right of Access at any one or more of the Facilities at any time after the occurrence of a "Default" by delivering written notice to Supplier (with a copy to Comerica and the other Customers) indicating such Customer's intention to invoke the Right of Access. If the Customer does not issue such notice or take steps to exercise the Right of Access on or before the earlier of (i) ten (10) business days following the delivery of a notice by Supplier that a Default has occurred, and (ii) the last day of the Term, the Right of Access arising from that specific Default shall terminate. Customers have no right to sell, transfer, or dispose of the Operating Assets or the Real Estate as part of the Right of Access. If the Right of Access is not invoked as to all of the Facilities, subject to the terms of this Agreement, it may be invoked thereafter as to additional Facilities within ten (10) business days of the first such exercise, otherwise the Right of Access for such additional Facilities is deemed to be waived.

(b) Customers' Obligations. If any one or more of the Customers, as applicable, invokes the Right of Access for itself or its designee(s) (such Customer an "Exercising Customer"), in lieu of payment to Supplier for Component Parts that are produced by the Exercising Customer after exercise of the Right of Access, the Exercising Customer will, as to each Facility at which the Exercising Customer has exercised the Right of Access:

- (i) use reasonable care in the use, custody and preservation of Supplier's assets, and indemnify, defend and hold Supplier, its officers, directors, and employees, and any landlord of the Facility, harmless from any injury, physical damage to property or physical injury suffered by third parties and all claims, costs, damages, liabilities (including reasonable legal fees), and obligations of and/or against the Supplier arising out of or caused by the Exercising Customer's or its designee's use of the Operating Assets and the Real Estate during the Occupancy Period; provided, however, the foregoing obligations shall not apply to claims arising out of or related to conditions which existed or events that occurred before the Occupancy Period;
- (ii) indemnify, defend and hold Comerica harmless from any damage to property or injury suffered by third parties directly caused by either or both of the Customer's or its designee's use of the Operating Assets and Real Estate during the Occupancy Period;
- (iii) provide reasonable access to the Real Estate to Comerica and its designee(s), and to any receiver, interim receiver, receiver and manager or trustee in bankruptcy appointed in respect of the

Supplier or its property, for the purpose of permitting Comerica to forthwith undertake efforts to liquidate any property and assets of Supplier, other than Operating Assets and Real Estate provided such access does not in any material way interfere, delay or hinder the Exercising Customer's Right of Access;

- (iv) insure and maintain the Operating Assets and the Real Estate in the same condition as existed on the date the Exercising Customer exercised the Right of Access, ordinary wear and tear excepted, and provide evidence of property and third party liability insurance, to Supplier in advance of the commencement of the Occupancy Period, which insurance shall name Supplier, any landlord and any owner of the Real Estate as additional named insureds and otherwise be in form and substance and for an amount satisfactory to Supplier, acting reasonably;
- (v) (a) directly pay the actual costs, expenses and liabilities incurred in connection with the manufacturing of Component Parts during the Occupancy Period including, without limitation, utilities, security and all other overhead expenses required to keep a Facility open and operating, and prorated property taxes and assessments attributable to the Operating Assets and Real Estate, any payments on account of any of the Operating Assets or the Real Estate which are leased from third parties, any rent, additional rent or other payments due or accrued during the Occupancy Period in relation to any real or personal property leases, all costs and expenses related to raw materials, components and supplies; and (b) pay to Comerica for the account of Supplier, in advance, the monthly access fee set out on Exhibit A for each Facility in respect of which the Right of Access is exercised; such amount being payable for the use of that Facility and the Operating Assets owned by Supplier located thereon.
- (vi) subject to the Exercising Customer's or its designee's non-exclusive right to use and occupy the Operating Assets and the Real Estate during the Occupancy Period, afford Supplier's representatives including the agents and advisors to the Supplier, the Monitor appointed in the CCAA Proceeding and any receiver, interim receiver, receiver and manager or trustee in bankruptcy appointed in respect of the Supplier or its property (and representatives of the Comerica, secured creditors or mortgagees of the Operating Assets and/or Real Estate) reasonable access to inspect the Operating Assets and Real Estate, to prepare for a liquidation of the Operating Assets and Real Estate at the end of the Occupancy Period, to preserve and protect the property and assets situated on the Real Estate, to remove property and assets other than the Operating Assets from the Real Estate and to sell

any asset, other than the Operating Assets and Real Estate, prior to expiration of the Occupancy Period provided such access does not in any material way interfere, delay or hinder the Exercising Customer's Right of Access. Supplier shall not grant to any third party, other than a Customer, the right, during the Occupancy Period, to use or occupy the Operating Assets and Real Estate to manufacture that Customer's Component Parts;

- (vii) subject to Supplier's other customers agreeing to: (a) make payment to the Exercising Customer, or its designee(s) as applicable, on account of its allocable share of overhead and related expenses and all direct expenses related to such other customer's production and (b) Supplier making the necessary tangible personal property available for use during the Occupancy Period, the Exercising Customer agrees, for itself and its designee(s), to produce component parts for such other customers during the Occupancy Period or to provide the other customers access provided such customers do not in any material way interfere, delay or hinder the production of the Exercising Customer's Component Parts;
- (viii) pay the amounts owing by the Customer under Section 3(c)(i);
- (ix) observe all applicable laws, rules and regulations and ordinances relating to the use, operation and occupancy of the Operating Assets (including the Real Estate) and to the manufacturing, processing and shipping of the Component Parts; and
- (x) with respect to amounts that the Exercising Customer is required to pay in accordance with the foregoing provisions of this Section 3, the Exercising Customers shall, where applicable, make payment to the Supplier of such amounts in advance, before such amounts are due or become payable (unless expressly provided to the contrary in the foregoing provisions of this Section 3), without assertion of any rights of set-off, recoupment or deduction, or, where applicable, shall make payment of such amounts to third parties (and, upon request, provide to the Supplier and Comerica evidence of such payment), without set off, recoupment or deduction.

(c) Supplier's Obligations. If any one or more of the Customers invokes the Right of Access, Supplier will comply with the following:

- (i) At each Exercising Customer's election in its sole discretion, Supplier will use its reasonable commercial efforts to continue to employ those of its employees which the Exercising Customer determines are necessary to maintain production of Component

Parts for such Exercising Customer (the "Retained Employees") and each Exercising Customer or its designee(s) will provide one or more upfront advance payments to Supplier prior to the cost and expense being incurred by Supplier on account of all costs and expenses relating to Supplier's employment of any Retained Employees to be incurred during the Occupancy Period. Without limiting the generality of the foregoing, each Exercising Customer or its designee(s) shall be obligated to pay to Supplier, in advance of Supplier's retention of any employees under this Agreement, all amounts estimated to be incurred by Supplier to meet its regular payroll and related obligations, including salaries, wages, payroll taxes (employment insurance, income tax and Canada Pension Plan), payroll service provider fees, vacation pay, workers' compensation, unemployment insurance, disability, medical, dental, drug, travel group life and like insurance, welfare, pension contributions and other payments and contributions required to be made by Supplier with respect to the Retained Employees in accordance with the regular compensation practice of the Supplier and, in the case of members of the Union, in accordance with the applicable collective agreement, which are incurred during the Occupancy Period, but in no event will an Exercising Customer be liable for any costs for unfunded pension liability, actuarial liability, past service unfunded actuarial liability or solvency or other deficiency relating to any pension plan or other obligations relating to service prior to the time the Exercising Customer exercised the Right of Access. Notwithstanding the foregoing, under no circumstances will an Exercising Customer be responsible for reimbursing Supplier for costs and expenses relating to Supplier's employment of the Retained Employees to the extent the Retained Employees are performing services unrelated to the production of the Component Parts. The Exercising Customer shall have no responsibility for severance and termination pay owing to any Retained Employees subsequently terminated. The Supplier shall use all funding provided under this Section 3(c)(i) towards compensating Retained Employees and for no other purpose including, without limitation, payment to Comerica;

- (ii) From the date hereof, Supplier will not increase compensation or benefits of the Retained Employees without the written consent of each Exercising Customer except as may be required by applicable law or pre-existing contract;
- (iii) Supplier will indemnify, defend and hold each Exercising Customer, its designee(s) and its respective employees and agents, harmless from any and all costs and expenses of the nature set forth in Sections 3(b)(v) and 3(c)(i) which are obligations of

Supplier in respect of the period prior to the date of the Exercising Customer's exercise of the Right of Access; and

- (iv) During the Occupancy Period, Supplier agrees that each Exercising Customer and its designee(s) and agents and representatives will have access to Supplier's books and records during normal business hours for the purposes of confirming any estimates and calculating amounts to be paid by such Exercising Customer prior to payment, and for the purpose of reconciling actual payments by such Exercising Customer against estimates in order to determine if any adjustments are necessary.

(d) Right to Terminate. Each Exercising Customer will have the absolute right to terminate the Right of Access with respect to any one or more of the Facilities upon ten (10) business days' written notice to Supplier and Comerica. Upon expiration of the notice period with respect to the Facility to which the notice applies, the Occupancy Period will terminate and, except for the Exercising Customer's obligations under Section 3(b)(i) and payment of any amounts payable under Sections 3(b)(i) through (x) and 3(c)(i) above not paid as of the termination of the Occupancy Period and relating to the Facility to which the notice applies, the Exercising Customer will have no further obligations or liabilities to Supplier, or Comerica, or any other person or entity on account of the Right of Access for the respective Facility.

(e) Indemnification. To the extent Supplier ("Indemnitee") makes a claim against an Exercising Customer for indemnification under sub-paragraph (b)(i), Indemnitee agrees the following shall apply:

- (i) Exercising Customer's indemnity obligations are secondary to any applicable insurance coverage or indemnities from third parties. In addition, the Exercising Customer's indemnity does not include any losses, liabilities, claims or damages or expenses to the extent the same are determined in a final, non-appealable judgment of a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of Indemnitee.
- (ii) If an Indemnitee becomes aware of any claims, demands, actions or proceedings for which it will be seeking indemnification, it must use its best efforts in good faith to notify promptly the Exercising Customer in writing of same; failure to provide such notice must only affect the Exercising Customer's liability to the extent that the Exercising Customer suffers damage or injury as a result of the failure to give such prompt notice. The Exercising Customer must have the right, at its expense, to assume the defense thereof (retaining counsel of its choosing who must be reasonably acceptable to Supplier or Comerica, as applicable) and the Exercising Customer will have the right, in its unfettered discretion, to settle any such claims or actions on any basis they

deem appropriate. An Indemnitee may, but is not required to engage a single firm of separate counsel of its choice in connection with any matters to which Exercising Customer's indemnification relates, provided that Exercising Customer shall at no time be obligated to pay for more than one firm on behalf of Indemnitee.

- (iii) Indemnitee agrees that it must: (1) refrain from taking action that has a material adverse impact on the defense of such claim; (2) cooperate fully with the defense of any claims made hereunder at Exercising Customer's cost and expense; and (3) upon Exercising Customer's request, provide reasonable assistance to Exercising Customer (at Exercising Customer's cost and expense) in the defense of such claim.

(f) **SPECIFIC PERFORMANCE.** IN CONNECTION WITH ANY ACTION OR PROCEEDING TO ENFORCE THE RIGHT OF ACCESS, SUPPLIER ACKNOWLEDGES THAT CUSTOMERS WILL NOT HAVE AN ADEQUATE REMEDY AT LAW, THAT THE OPERATING ASSETS AND REAL ESTATE ARE UNIQUE AND THAT CUSTOMERS WILL BE ENTITLED TO SPECIFIC PERFORMANCE OF SUPPLIER'S OBLIGATIONS TO AFFORD EACH CUSTOMER ITS RIGHT OF ACCESS UNDER THIS AGREEMENT. SUPPLIER FURTHER AGREES THAT THE CUSTOMERS MAY SEEK EXPEDITED RELIEF FROM A COURT OF PROPER JURISDICTION AND THAT TWO (2) BUSINESS DAYS' NOTICE (OR SUCH SHORTER NOTICE AS MAYBE NECESSARY IN THE CIRCUMSTANCES) OF SUCH REQUESTED EXPEDITED RELIEF SHALL BE ADEQUATE NOTICE THEREOF.

(g) **Appointment of Receiver.** In addition to any rights and remedies Customers may have as secured creditors or under the terms of this Agreement or any other agreement between any Customer and Supplier, Customers will have the right to the appointment of a receiver or a receiver and manager to effectuate the Right of Access. In connection with any hearing on the appointment of a receiver, Supplier agrees that two (2) business days' notice (or such shorter notice as may be necessary in the circumstances) of any request for a hearing on such appointment will be adequate notice and that the only issue to be litigated at the hearing will be whether or not a Default has occurred.

(h) **IRREPARABLE HARM; LIMITATION OF NOTICE.** SUPPLIER ACKNOWLEDGES THAT THE CUSTOMERS WILL SUFFER IRREPARABLE HARM IF ANY ONE OR MORE CUSTOMERS INVOKE THE RIGHT OF ACCESS AND SUPPLIER FAILS TO COOPERATE WITH ANY CUSTOMER IN ALLOWING THE CUSTOMER TO EXERCISE THE RIGHT OF ACCESS UNDER THIS AGREEMENT. ACCORDINGLY, PROVIDED THAT SUPPLIER RECEIVES NOTICE IMMEDIATELY UPON CUSTOMER'S DETERMINATION TO REQUEST HEARINGS, BUT AT LEAST TWO (2) BUSINESS DAYS' NOTICE (OR SUCH SHORTER NOTICE AS MAYBE NECESSARY IN THE CIRCUMSTANCES) OF ANY REQUEST FOR HEARINGS IN CONNECTION WITH PROCEEDINGS INSTITUTED BY THE EXERCISING CUSTOMER, SUPPLIER WAIVES, TO THE FULLEST



**EXTENT POSSIBLE UNDER APPLICABLE LAW, THE RIGHT TO NOTICE IN EXCESS OF TWO (2) BUSINESS DAYS IN CONNECTION WITH ANY JUDICIAL PROCEEDINGS INSTITUTED BY THE EXERCISING CUSTOMER TO ENFORCE THE RIGHT OF ACCESS.**

4. License. Provided Customers are otherwise in compliance with their obligations under this Agreement, Supplier hereby grants each Customer or its designee(s) a non-exclusive worldwide, irrevocable, fully paid right and license to use any of its Intellectual Property to develop, manufacture, and assemble the Component Parts for each Exercising Customer's use and/or use by third parties during the Occupancy Period in accordance with this Agreement, whether or not any such development or manufacture uses any part of the Operating Assets (the "License"). The Exercising Customer's right to use the License will include the right to sublicense third parties for the manufacture or sub-assembly of the Component Parts during the Occupancy Period; provided, however, that any sublicense must satisfy the terms of this Agreement and sublicensing will have no effect on Customers' obligations under this Agreement. The License is in addition to and not intended to replace any license or similar rights arising under or in connection with the Purchase Orders and the Accommodation Agreement.

(a) Right to Use License. Although the License is being granted to Customers as of the date set forth above, each Customer agrees that neither it nor its sublicensee(s) will utilize the License unless such Customer exercises the Right of Access (and then it or any sublicensee(s) will only use the License during the Occupancy Period after which the rights granted in this Section 4 automatically expire and will have no further force and effect).

(b) No Royalty. For all purposes, Supplier has been fully paid for the License and other rights granted to Customers under this Agreement (except as otherwise provided in this Agreement) and no royalties, fees, payments, charges or other consideration will be due from Customers on account of the License or this Agreement or any one or more Customer's (or sublicensee's) use of the License or other rights granted pursuant to this Agreement (except as otherwise provided in this Agreement).

(c) Protection of Ownership. The Customer and any third party licensee shall treat and preserve the Intellectual Property in accordance with the same practices employed by the Customer to safeguard its own intellectual property against unauthorized use and disclosure and will only use such information, data and trade secrets during the Occupancy Period in connection with producing Component Parts. The foregoing obligations of Customers will not be applicable to information which is now or becomes hereafter available to the public through no action, conduct, omission or fault of Customers. The provisions of this Section 4 will survive termination of this Agreement.

5. Court Approvals. Upon the commencement of the CCAA Proceeding, Supplier hereby agrees that it will exercise its commercial best efforts in good faith to obtain the applicable court's entry of an order authorizing Supplier to enter into this Agreement, which order will be sought commensurately with the commencement of the CCAA Proceeding. The order approving this Agreement shall also approve the Customers' Security granted under this Agreement and shall otherwise be in a form satisfactory to Customers.

6. Rights of Customers; Limitations on Customers' Obligations. Unless a Customer exercises the Right of Access, in which case the Exercising Customer will have the obligations as set forth in this Agreement, Customers will not have any obligation or liability by reason of or arising out of this Agreement. In addition, regardless of whether any Customer exercises the Right of Access, Customers will not be required or obligated in any manner to perform or fulfill any of the obligations of Supplier.

7. Remedies. Subject to the terms of Section 2 above, upon a Default, Customers will have all rights and remedies provided in this Agreement, in any other agreements with Supplier, and all rights and remedies available to a secured creditor under applicable law, provided that nothing herein shall restrict the Supplier (subject to Supplier's agreements with, and the rights of, Comerica) from having continuing use of its cash collateral or shall be construed or deemed to prevent Supplier, or any of its representatives, from having access to the Facilities, Operating Assets, Real Property and/or the books and records of Supplier except as such right may be limited during the Occupancy Period and provided such rights do not unreasonably interfere, hinder or delay the Exercising Customer's Right of Access in relation to Operating Assets and Real Property. Any rights of the Customers under the Customers' Security shall rank subsequent to and be postponed to the security and associated rights of Comerica granted in relation to the Comerica Facilities and the beneficiaries of the CCAA Charges. Further, in connection with Customers' rights and remedies under this Agreement:

(a) Supplier waives any right it may have to require Customers to foreclose their security interests and liens and/or reduce the Obligations to a monetary sum; Customer shall not have any rights of foreclosure, sale, transfer, assignment, lease or other disposition in relation to the Collateral;

(b) If any one or more Customers exercise the Right of Access, the Exercising Customer will be treated as a secured party in possession and the Exercising Customer's use and occupancy of the Operating Assets will not be deemed to be acceptance of such assets in satisfaction of the Obligations; and

(c) All of Customers' rights and remedies under this Agreement are cumulative and not exclusive of any rights and remedies under any other agreement or under applicable law or at equity.

8. Injunctive Relief. Given that Customers will incur significant damages if Supplier fails to timely satisfy its obligations to Customers and Customers' respective assembly or other plant operations will be negatively impacted, and because Customers do not have an adequate remedy at law and would be irreparably harmed by such events, Supplier agrees that Customers will be entitled to injunctive relief (both prohibitive and mandatory) in connection with any violations by Supplier of any terms or conditions of this Agreement. Customers agree to provide Comerica notice of any proceeding seeking injunctive relief simultaneously with providing such notice to Supplier.

9. Representations and Warranties. Supplier represents and warrants to Customers that:

(a) Title; No Other Security Interests. Except for: (i) the security interest granted under this Agreement to Customers, (ii) liens and security interests granted to Comerica, (iii) the CCAA Charges, and (iv) all other valid and perfected liens and security interests against the property and assets of Supplier on the date of this Agreement, and all liens created by operation of federal, provincial and municipal law that currently exist (collectively, the "Permitted Liens"), Supplier owns the Collateral free and clear of any and all liens, security interests or claims of others. Except for the liens and security interests granted to Comerica, the CCAA Charges, the Permitted Liens and the security interest granted under this Agreement to the Customers, no other person or entity (including any person or entity holding any lien of record) has a lien or security interest on any material portion of the Operating Assets or Real Estate.

(b) Addresses. The address of Supplier's chief executive office is set forth in Section 22 and will not be changed without prior written notice to Customers, but the Operating Assets, wherever located, are covered by this Agreement. Supplier must immediately advise Customers in writing of any change in its name, trade name, address, or form of organization.

(c) Trade Names. Any and all trade names under which Supplier transacts any part of its business, and all former names of Supplier, are those which have been previously disclosed to Customers in writing or may be obtained from a search of a public registry system.

(d) Accuracy of Information. All information, certificates, or statements given to Customers in connection with this Agreement must be true and complete in all material respects, when given.

10. Covenants. Supplier covenants and agrees with Customers that from and after the date of this Agreement until the Obligations are fully performed:

(a) Further Documentation. At any time and from time to time, upon the written request of any Customer, and at Customers' sole expense, Supplier will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Customer may reasonably request for the purpose of obtaining the full benefits of this Agreement and of the rights and powers herein granted. Further, Supplier hereby grants each Customer a power of attorney to execute on its behalf and file necessary registrations or financing or continuation statements to perfect the security interest granted hereby.

(b) Payment of Obligations. Prior to an exercise of the Right of Access by any one or more Customers; if any, Supplier will pay promptly when due, all taxes, assessments and governmental charges or levies imposed upon the Collateral and the Real Estate or in respect of Supplier's income or profits.

(c) Sales or Dispositions of Operating Assets, Certain Uses Prohibited. During the Term, without the written consent of the Customers, which consent will not be unreasonably withheld, and the consent of Comerica, Supplier shall not: (i) sell or otherwise dispose of any of the Operating Assets or the Real Estate except in the ordinary course of business; (ii) encumber the Operating Assets or the Real Estate (except for liens granted in connection with the CCAA Charges); or (iii) use, or contract for the use of, any of the Operating

Assets or the Real Estate in any way which would materially adversely affect the Customers' Right of Access or the Customers' other rights and remedies under this Agreement. Supplier acknowledges and agrees that it will be reasonable for the Customers to withhold consent if the proposed sale or encumbrance impairs, or may impair, the Customers' rights under this Agreement. Notwithstanding the foregoing, nothing herein shall impair the right of Supplier to market and sell or transfer its business and related assets, including the Operating Assets and the Real Estate in accordance with the Accommodation Agreement and so long as such purchaser agrees not to impair any Customer's Right of Access under this Agreement or right to use the Operating Assets and the Real Estate during the Occupancy Period

(d) Limitations on Modifications of Agreements, etc. Supplier will not, other than in the ordinary course of business (i) amend, modify, terminate or waive any provision of any Contract, or enter into any Contract, which might materially adversely affect Customers' Right of Access, or (ii) fail to exercise promptly and diligently each and every right which it may have under each Contract in any manner which could materially and adversely affect Customers' Right of Access or Customers' other rights and remedies under this Agreement or any other right or agreement between Customers and Supplier or otherwise.

(e) Maintenance of Insurance. Prior to the Occupancy Period, Supplier will, at its expense, keep and maintain insurance on the Operating Assets and Real Estate which insures the Operating Assets and Real Estate against all risk of loss or damage from fire, theft, malicious mischief, explosion, sprinklers, and all other hazards and risks of physical damage included within the meaning of the term "extended coverage" in such amounts as are ordinarily insured against by other owners of similar businesses. Supplier will furnish Customers evidence of said insurance, but Customers will not be named as an additional insured or loss payee.

(f) Right of Inspection; Cooperation. In addition to any rights Customers may have under the Purchase Orders or any other agreements with Supplier (including the Accommodation Agreement), each Customer and its representatives will, upon reasonable request and reasonable times, have the right to enter into and upon any premises where any of the Operating Assets and Real Estate are located for the purpose of inspecting the same, observing its use or otherwise protecting the Customer's interests therein. Each Customer will maintain the confidentiality of information obtained by it, and will only disclose such information if required by law to do so.

(g) Notice of Default. Supplier will provide immediate notice to Customers, by way of facsimile transmission and overnight express mail service, of its or its attorneys' or agents' receipt of any notice of default under the Loan Documents from Comerica, or from any other secured creditors including, but not limited to, taxing authorities. Supplier hereby grants to Customer the option, but not the obligation, to exercise whatever rights to cure defaults that Supplier has under such agreements or by law.

#### 11. Secured Party and Lessor Acknowledgments.

(a) Supplier will provide to Customers, commensurately with execution of this Agreement, Comerica's acknowledgment to the rights and interests granted to Customers under this Agreement by providing a copy of the Lender's Acknowledgment and Consent

attached as Schedule 11(a) attached hereto executed by a duly authorized representative of Comerica.

(b) If subsequent to the execution of this Agreement, Supplier intends to grant additional or further security interests, liens or mortgages in any of the Collateral to any party other than Customers, five (5) business days prior to granting such liens, security interests, mortgages, or leaseholds, Supplier must deliver to Customers an acknowledgment from such secured creditors, mortgagees, and/or lessees in a form substantially similar to Schedule 11(a) attached hereto.

(c) Supplier shall seek, commensurately with execution of this Agreement, acknowledgments from any lessor(s) of the Real Estate and the Operating Assets (to the extent leased) to Customers' rights hereunder, in the form of Schedule 11(b) attached hereto.

12. Effect on Purchase Orders. The purpose of this Agreement is to preserve the rights and interests of the parties under the Purchase Orders and, by entering into this Agreement, no party is waiving or limiting any rights it may have under the Purchase Orders. This Agreement will be deemed to be incorporated by reference into, and will constitute an amendment to all existing and future Purchase Orders regardless of whether any specific reference to this Agreement is made in any such Purchase Orders. To the extent that any term or provision in this Agreement is inconsistent with any term or condition of any such Purchase Order, the terms and conditions of this Agreement will control.

13. Term. The rights granted to Customers under this Agreement shall continue until the date that is the earlier of: (a) fifteen (15) days after notice is given by Comerica that it intends to exercise its rights in relation to the Operating Assets or the Real Estate, unless the Occupancy Period with respect to the Exercising Customer in relation to the Facility or Facilities where Operating Assets are located commences prior to the end of that fifteen (15) day period, and (b) March 15, 2009 (the resulting period being referred to as the "Term") at which time such rights will terminate and, without limiting the generality of the foregoing, the Customers' Security will be released and discharged and of no further force or effect, and any interest in the Collateral will be automatically reconveyed to Supplier, unless:

(a) any one or more Customers, following the occurrence of a Default, have exercised the Right of Access prior to the expiration of the Term, in which case the Term is extended to the expiration of the Occupancy Period in relation to such Exercising Customer only, and at the end of the Occupancy Period in relation to such Exercising Customer the rights granted to Customers under this Agreement will terminate and, without limiting the generality of the foregoing, the Customers' Security will be released and discharged and of no further force or effect, and any interest in the Collateral will be automatically reconveyed to Supplier; or

(b) with respect to any Facility, there has been a sale of the Operating Assets in relation to such Facility to a "Qualified Buyer" as that term is defined in the Accommodation Agreement, in which case the Term will expire on the effective date of such sale.

Notwithstanding the termination of this Agreement, all indemnification obligations in this Agreement shall survive termination of this Agreement.

14. Discharges. Upon the release of the security interest pursuant to Section 13 above, each Customer will, at such Customer's expense, promptly execute and deliver all such discharges, releases, reassignments and further assurances as may be reasonably required to record the discharge of the security interest or charge.

15. Payments by Customers. All payments to be made by Customers to Supplier hereunder shall be without setoff, recoupment or deduction, including in relation to any special, consequential or incidental damages that a Customer may suffer or incur giving rise to any Customer's exercise of a Right of Access.

16. Confidential Information and Data. Without limiting Customers' rights under this Agreement, to the extent the Operating Assets include, or Customers or their respective designee(s) otherwise come into possession of or become aware of, Supplier's trade secrets or proprietary information during a Customer's exercise of the Right of Access, Customers and their respective designees must, (a) except as required by applicable law, keep the information, data, and trade secrets confidential; and (b) only use the information, data, and trade secrets during the Occupancy Period in connection with producing Component Parts. The provisions of this Section will survive termination of this Agreement.

17. Severability. Should any provision of this Agreement be held invalid, prohibited or unenforceable in any one jurisdiction it will, as to that jurisdiction only, be ineffective to the extent of such holding without invalidating the remaining provisions of this Agreement, and any such holding does not invalidate or render unenforceable that provision in any other jurisdiction wherein it would be valid and enforceable.

18. Authorization. The parties executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the corporation that they represent and that their signatures bind said corporations to the terms of this Agreement.

19. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation of this Agreement. All references to Sections, Schedules, and Exhibits are to Sections, Schedules, and Exhibits in or to this Agreement unless otherwise specified.

20. No Waiver; Cumulative Remedies. The Customers will not by any act, delay, indulgence, omission, or otherwise be deemed to have waived any right or remedy under this Agreement or of any breach of the terms and conditions of this Agreement. A waiver by the Customers of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which the Customers would otherwise have had on a subsequent occasion. No failure to exercise nor any delay in exercising on the part of the Customers any right, power, or privilege under this Agreement, will operate as a waiver, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any

other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative, may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by any other agreements or applicable law or at equity.

21. Accommodation Agreement. Nothing in this paragraph or this Agreement, shall be deemed to amend, modify or supersede any agreements by the Customers under the Accommodation Agreement and, to the extent of any conflict or inconsistency between the terms of this Agreement and the Accommodation Agreement, the Accommodation Agreement shall govern.

22. Waivers and Amendments; Successors and Assigns. No term or provision of this Agreement may be waived, altered, modified, or amended except by a written instrument, duly executed by Supplier and the Customers. This Agreement and obligations under this Agreement are binding upon the successors and assigns of Supplier, and together with the rights and remedies of the Customers under this Agreement, inure to the benefit of the Customers and their respective successors and assigns. This Agreement and obligations under this Agreement are binding upon the successors and assigns of Customer, and together with the rights and remedies of the Supplier under this Agreement, inure to the benefit of the Supplier and its successors and assigns. Supplier and Customers may not assign or transfer any right or obligation under this Agreement without the prior written consent of the other.

23. Governing Law and Forum. This Agreement is made in Province of Ontario and will be governed by, and construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflicts of law principles, and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario.

24. Notices. All notices, requests, and other communications that are required or may be given under this Agreement must be in writing, and will be deemed to have been given on the date of delivery, if delivered by hand, facsimile or courier, or three (3) days after mailing, if mailed by certified or registered mail, postage prepaid, return receipt requested, addressed as set forth below (which addresses may be changed, from time to time, by notice given in the manner provided in this Section):

If to Supplier:

SKD Automotive Group  
1450 W. Long Lake Rd., Suite 210  
Troy, Michigan 48098  
Attention: John P. Chen  
Facsimile: (248) 267-9669

with a copy to:

Lang Michener LLP  
 Brookfield Place, 181  
 Bay Street, Suite 2500  
 Toronto, Ontario M5J 2T7  
 Attention: Sheryl E. Seigel  
 Facsimile: (416) 365-1719  
 Email: sseigel@langmichener.ca

If to Chrysler:

Chrysler LLC  
 800 Chrysler Drive  
 CIMS 485-14-78  
 Auburn Hills, MI 48326  
 Attention: Sigmund Huber  
 Director, Supplier Relations  
 Facsimile: (248) 512-1771

With a copy to:

Chrysler LLC  
 CIMS 485-13-32  
 1000 Chrysler Drive  
 Auburn Hills, MI 48326-2766  
 Attention: Kim R. Kolb,  
 Senior Staff Counsel  
 Facsimile: (248) 512-4885

And:

Dickinson Wright PLLC  
 500 Woodward Ave., Suite 4000  
 Detroit, MI 48226  
 Attention: James A. Plemmons  
 Facsimile: (313) 223-3598

If to Ford:

Ford Motor Company  
 One America Road  
 World Headquarters  
 Suite 416  
 Dearborn, Michigan 48126  
 Attention: Daniella Saltz  
 Facsimile: (313) 322-3804

With a copy to:

Ford Motor Company  
 Building 3  
 20100 Rotunda Drive  
 Number 3A041  
 Dearborn, Michigan 48124  
 Attention: Bill Strong  
 Facsimile: (313) 206-7044



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

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

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

And: Robert A. Bell, Jr.  
 Vorys, Sater, Seymour and Pease LLP  
 52 East Gay Street  
 Columbus, Ohio 43216-1008  
 Facsimile: (614) 719-5196

If to Comerica: Comerica Bank  
 One Detroit Center  
 500 Woodward Avenue, 4th Floor  
 Detroit, MI 48226  
 Attention: James L. Embree  
 Facsimile: (313) 222-1244

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

25. No Intended Third Party Beneficiary. The parties hereto acknowledge and agree that the rights and interests of the parties under this Agreement are intended to benefit solely the parties to this Agreement, Comerica and the beneficiaries of the CCAA Charges.

26. Counterparts. This Agreement may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which when so executed and delivered will be an original, but all of which together will constitute one and the same instrument, and it

will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Facsimile copies of signatures will be treated as originals for all purposes.

27. Entire Agreement; Conflicts. This Agreement together with the Accommodation Agreement and any other agreements and schedules executed in connection with this Agreement constitutes the entire understanding of the parties in connection with the subject matter hereof. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by Customers and Supplier. Although this Agreement constitutes an amendment to the Purchase Orders, the terms and conditions of the Purchase Orders will be unaffected by this Agreement except to the extent that an inconsistency or conflict exists between the express terms of the Purchase Orders and this Agreement in which event the terms of this Agreement will govern and control. To the extent any term or condition of this Agreement is inconsistent or in conflict with the terms of any other agreements between the parties, the terms of this Agreement will govern and control.

28. CONSULTATION WITH COUNSEL. THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL BEFORE EXECUTING THIS AGREEMENT AND ARE EXECUTING SUCH AGREEMENT WITHOUT DURESS OR COERCION AND WITHOUT RELIANCE ON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS OTHER THAN THOSE REPRESENTATIONS, WARRANTIES AND COMMITMENTS SET FORTH IN THIS AGREEMENT.

29. WAIVER OF JURY TRIAL. THE PARTIES HERETO ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT OR ANY OTHER AGREEMENTS BETWEEN THE PARTIES. NO PARTY WILL BE DEEMED TO HAVE RELINQUISHED THE BENEFIT OF THIS WAIVER OF JURY TRIAL UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO WHICH SUCH RELINQUISHMENT WILL BE CHARGED.

*[signatures on next page]*

*[signature page to Access and Security Agreement]*

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC Canada,  
Inc.

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080 Nova  
Scotia Company

\_\_\_\_\_  
print name

**Schedules and Exhibits:**

- Exhibit A: Facilities
- Schedule 11(a): Lender's Acknowledgment and Consent
- Schedule 11(b): Lessor's Acknowledgment and Consent

**EXHIBIT A  
FACILITIES**

<b>Facility</b>	<b>Monthly Access Fee (USD)</b>
<b>A. Owned Real Property</b>	
1. 40 Holtby Avenue, Brampton, Ontario	\$76,000
2. 375 Wheelabrator Way, Milton, Ontario	\$62,000
<b>B. Leased Real Property</b>	
1. 7345 East Danbro Crescent, Mississauga, Ontario	\$4,000
2. 6495 Tomken Road, Mississauga, Ontario	\$8,000

**SCHEDULE 11(a)**  
**LENDER'S ACKNOWLEDGMENT AND CONSENT**

While not a party to the Access and Security Agreement ("Access Agreement") between \_\_\_\_\_ (the "Customers") and \_\_\_\_\_ ("Supplier") dated as of January \_\_\_\_\_, 2009, Comerica Bank (the "Lender") and Supplier are parties to various loan and/or security agreements and Lender has security interests in Supplier's assets. In such capacity, and in consideration of Customers' undertakings in favor of Supplier, Lender acknowledges, consents to, and agrees that the exercise of its rights and remedies with respect to its liens and security interests is subject to all applicable terms of the Access Agreement. The fact that Lender is executing this Acknowledgment and Consent will not in any way make Lender a guarantor or surety for Supplier's performance under the Access Agreement. Further, except as provided in the Access Agreement, Lender reserves its rights under its agreements with Supplier and applicable law.

**WITNESSED**

**COMERICA BANK**

\_\_\_\_\_  
Name

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

Name: \_\_\_\_\_

\_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

)ss

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2008 by \_\_\_\_\_, the duly authorized \_\_\_\_\_ of \_\_\_\_\_ on behalf of such corporation.

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

\_\_\_\_\_ County, \_\_\_\_\_

My commission expires: \_\_\_\_\_

**SCHEDULE 11(b)  
LESSOR'S ACKNOWLEDGEMENT AND CONSENT**

While not a party to the Access and Security Agreement ("Access Agreement") made between \_\_\_\_\_ (the "Customers") and \_\_\_\_\_ ("Supplier") dated as of January \_\_, 2009, the undersigned leases certain real estate and/or equipment to Supplier, and, in such capacity, the undersigned acknowledges, consents to, and agrees with, and agrees to be bound by, the terms and conditions of the Access Agreement, including Customers' right to use the Operating Assets and the Real Estate during any Occupancy Period.

**WITNESSED**

\_\_\_\_\_ *(Name of Lessor)*

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

\_\_\_\_\_  
Name

Name: \_\_\_\_\_

\_\_\_\_\_  
Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

)ss

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2008 by \_\_\_\_\_, the duly authorized \_\_\_\_\_ of \_\_\_\_\_ on behalf of such corporation.

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

\_\_\_\_\_ County, \_\_\_\_\_

My commission expires: \_\_\_\_\_

**EXHIBIT C**

**BUDGET**

(see attached)

SKD Automotive Group LP  
Borrowing Base Calculation Estimate  
(RUS2)

	1/23/09	1/23/09	1/23/09	2/13/09	2/13/09	2/27/09	2/27/09
Beginning AR	\$23,791	\$25,077	\$15,176	\$17,613	\$17,118	\$16,398	\$16,449
+ Sales (excl Mexico) (2)	-	2,785	3,226	2,381	2,725	2,424	2,969
- Receipts (excl Mexico) (2)	-	12,687	789	3,077	3,445	2,374	2,635
Total AR for BBC	23,791	38,449	19,191	23,416	23,268	21,196	21,453
- Ineligible	(22,034)	(10,584)	(11,157)	(11,370)	(11,182)	(11,228)	(11,171)
Total Eligible AR	1,757	27,865	8,034	12,046	12,086	9,968	10,282
Collateral Value AR (1)	1,406	4,133	5,811	5,174	4,693	4,659	5,051
Inventory Value (3)	5,381	4,885	4,849	4,729	4,524	4,435	4,321
Other Collateral Reliance	14,995	14,909	14,909	14,909	14,909	14,909	14,909
Less Reserve	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Less Admin Reserve	(1,445)	(1,445)	(1,445)	(1,445)	(1,445)	(1,445)	(1,445)
Less Other Reserve	(471)	(471)	(471)	(471)	(471)	(471)	(471)
Plus Customer Participation	1,073	3,425	4,567	5,773	6,761	7,301	8,799
Less Estimated Setoff Reserve	(960)	(182)	(223)	(304)	(274)	(289)	(144)
Total Loanable Collateral	17,854	20,255	22,897	23,364	23,699	24,139	26,019
Total Liability	17,808	19,177	21,961	22,410	22,715	23,169	24,905
Bank	16,736	15,732	17,394	16,637	15,954	15,868	16,106
Customer	1,073	3,425	4,567	5,773	6,761	7,301	8,799
Excess (Deficit) availability	46	1,078	937	954	984	969	1,114
Cash Balance per model	6,562	0	0	0	0	0	0
Adjusted availability	\$6,608	\$1,078	\$937	\$954	\$984	\$969	\$1,114
Estimated Weekly Customer Participation	\$1,073	\$1,246	\$1,142	\$1,206	\$988	\$540	\$1,498
Estimated Cumulative Customer Participation	\$1,073	\$2,179	\$3,425	\$4,567	\$5,773	\$6,761	\$8,799
Contra							
Beginning	\$12,580	\$12,935	\$13,819	\$522	\$1,095	\$1,308	\$1,120
+ Purchases	288	885	885	1,262	1,262	1,262	1,262
- Offsets	-	14,182	312	1,049	1,450	1,216	1,319
End Contra	\$12,868	\$13,819	\$522	\$1,095	\$1,308	\$1,120	\$1,166

(1) The initial 80% advance rate for A/R is increased to 90% on 1/23/09.  
 (2) Receipts for January and February are based on SKD estimates.  
 (3) Inventory for January and February 2009 are based on SKD estimates.



**SKD Automotive Group LP**  
**Estimated Cash Flow Forecast - Consoll dated**  
**(\$US\$)**

	9-Jan	16-Jan	23-Jan	30-Jan	Jan 2009	6-Feb	13-Feb	20-Feb	27-Feb	Feb 2009	Total Jan/Feb
Total Receipts	10,675	953	19,241	1,190	32,058	4,035	3,969	2,725	3,531	14,259	46,317
Disbursements	-	-	18,387	342	18,729	2,436	1,621	1,943	1,905	7,306	26,035
Customer Steel Autodebit/Scrap Rebate											
Accounts Payable - Trade	242	1,030	968	1,400	3,640	587	633	636	1,414	3,270	6,910
Payroll - Hourly	199	371	798	469	1,836	216	193	427	415	1,251	3,087
Payroll - Salaried	253	2,364	79	1,059	3,785	489	1,048	43	721	2,300	6,085
Restructuring Fees and Setoffs	211	1,180	1,525	634	3,550	755	779	-731	738	3,003	6,552
Interest	150	-	-	128	277	-	-	-	128	128	405
Other Fees	-	-	-	(58)	(58)	-	-	-	(55)	(55)	(113)
Accrued Payroll	-	-	1,423	-	1,423	-	-	-	-	-	1,423
Accounts Payable - Tooling	-	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	1,084	4,944	23,180	3,973	33,181	4,484	4,274	3,180	5,266	17,203	50,384
Net Cash Flow	9,592	(3,992)	(3,939)	(2,783)	(1,123)	(449)	(305)	(455)	(1,735)	(2,944)	(4,067)
Line Paydown/(Advance)	5,890	2,617	(3,986)	(2,783)	1,737	(449)	(305)	(455)	(1,735)	(2,944)	(1,207)

**SKD Automotive Group**

**EXHIBIT D - ALLOCATION PERCENTAGES BY CUSTOMER**  
**FOR THE PERIOD JANUARY 1 - FEBRUARY 27, 2009**

Historical Sales	Brampton	Milton	Mexico	U.S.
Chrysler	56%	57%	38%	40%
Ford	44%	21%	0%	21%
Honda	0%	22%	0%	27%
GM	0%	0%	62%	12%
Total	100%	100%	100%	100%

## AMENDMENT TO ACCOMMODATION AGREEMENT

SKD Company ("Supplier"), Ford Motor Company ("Ford"), Chrysler Canada Inc. ("Chrysler Canada"), Chrysler LLC; on behalf of itself and Chrysler Motors LLC (together with Chrysler Canada, "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") (collectively, the "Customers") and Comerica Bank ("Comerica") enter into this Amendment to Accommodation Agreement (the "Amendment") effective as of February 27, 2009.

### RECITALS

A. Supplier, the Customers and Comerica entered into an Accommodation Agreement dated January 21, 2009 (the "Accommodation Agreement") providing for continued production, subject to the terms and conditions set forth therein, through February 28, 2009.

B. Supplier, the Customers and Comerica have agreed to extend the term of the Accommodation Agreement through March 9, 2009 and make certain other modifications set forth herein.

**BASED UPON THE FOREGOING RECITALS** and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

### TERMS AND CONDITIONS

1. Amendment to Section 1. Section 1 of the Accommodation Agreement is hereby amended and restated in its entirety as follows:

1. Term. The term of this Agreement (the "Term") shall commence on the Effective Date and continue until the earliest of (a) March 9, 2009, (b) the closing of the sale of Supplier's business as a going concern to a Qualified Buyer (as defined below), (c) an Event of Default (defined below), (d) Comerica ceases to provide financing to Supplier during the Restructuring Process, and (e) Comerica commences any enforcement action with respect to a material portion of Supplier's real or personal property constituting collateral.

2. Amendments to Section 2.9(A) and Exhibit C. In the fourth line of Section 2.9(A) of the Accommodation Agreement, the words "up to US\$8,800,000" are hereby deleted and are replaced with the words "up to \$US11,488,831".

The form of Budget attached to the Accommodation Agreement as "Exhibit C" shall be supplemented by the additional budget attached as Exhibit A to this Amendment (the "March Budget"). The March Budget is the estimated

operating budget of Supplier for the period from and including February 28, 2009 to and including March 6, 2009. The March Budget shall be incorporated into and form part of Exhibit C to the Accommodation Agreement.

3. Amendment to Section 3.10. Section 3.10 of the Accommodation Agreement is amended by amending and restating subparagraphs (c) and (d) in their entirety as follows:

- (c) Court Approval of the Purchase Agreement. Obtain, by March 9, 2009, approval of the Purchase Agreement to sell Supplier's assets to a Qualified Buyer (as defined below); and
- (d) Close Implementation. By no later than March 9, 2009, close the sale of Supplier's assets to a Qualified Buyer.

4. Amendment to Section 6.2. Section 6.2 of the Accommodation Agreement is amended by adding the following subsection:

6.2.1 For clarity, the option to purchase Designated Equipment set out in Section 6.2 shall not expire earlier than 15 days after March 9, 2009

6. Reaffirmation of Obligations. Each of the Customers, Supplier and Comerica hereby reaffirm all of their respective obligations under the Accommodation Agreement.

7. Continued Effectiveness. Except as explicitly amended hereby, the Accommodation Agreement remains in full force and effect.

8. Execution. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their respective signatures may be delivered by facsimile or other electronic means, and that facsimile or electronic signatures will be treated as originals for all purposes.

9. Capitalized Terms. Unless otherwise defined herein, capitalized terms are as defined in the Accommodation Agreement.

*(Signatures contained on next page)*

**CHRYSLER CANADA INC.**

By: Mitchell Sonego  
I have authority to bind the Corporation

Cretchen SONEGO  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: Mary Ann Kirsch  
I have authority to bind the Corporation

Mary Ann KIRSCH  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company

\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation


\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By:   
I have authority to bind the NMC  
Canada, Inc.

JOHN P. CHEN  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By:   
I have authority to bind the 2515080  
Nova Scotia Company

JOHN P. CHEN  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: Lisa K. King  
I have authority to bind the Corporation  
LISA K King  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.  
\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company  
\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: Mark VanDerVeld  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company

\_\_\_\_\_  
print name



Feb. 27. 2009 5:43PM COMERICA

No. 1626 P. 4

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

*Gregory M. Ryan*  
\_\_\_\_\_  
print name  
Vice President

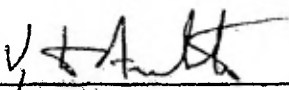
By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company

\_\_\_\_\_  
print name

Each of undersigned consent and agree to all terms and conditions of the foregoing Amendment.

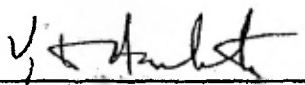
**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

By:   
Vytas Ambutas  
Its: Secretary


**"GUARANTORS"**

**NMC CANADA INC.**

By:   
Vytas Ambutas  
Its: Secretary


**SKD HOLDING, L.P.**

By: SKD Holding, Inc.  
Its: General Partner

By:   
John Chen  
Its: Vice President/Treasurer

SKD, L.P.

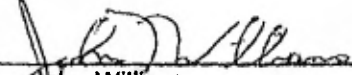
By: Quincy Holdings, Inc.  
Its: General Partner

By:   
Vytautas Ambutas  
Its: Secretary

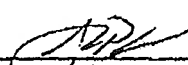
2515080 NOVA SCOTIA COMPANY

By:   
John Chen  
Its: Vice President

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

By:   
John Williams  
Its: Treasurer

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

By:   
John Chen  
Its: Treasurer

## SECOND AMENDMENT TO ACCOMMODATION AGREEMENT

SKD Company ("Supplier"), Ford Motor Company ("Ford"), Chrysler Canada Inc. ("Chrysler Canada"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC (together with Chrysler Canada, "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") (collectively, the "Customers") and Comerica Bank ("Comerica") enter into this Second Amendment to Accommodation Agreement (the "Amendment") effective as of March 1, 2009.

### RECITALS

A. Supplier, the Customers and Comerica entered into an Accommodation Agreement dated January 21, 2009, as amended by an Amendment to the Accommodation Agreement dated February 27, 2009 (collectively, the "Accommodation Agreement") providing for continued production, subject to the terms and conditions set forth therein, through March 9, 2009.

B. Supplier, the Customers and Comerica have agreed to extend the term of the Accommodation Agreement through March 31, 2009 and make certain other modifications set forth herein.

**BASED UPON THE FOREGOING RECITALS** and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

### TERMS AND CONDITIONS

1. Amendment to Section 1. Section 1 of the Accommodation Agreement is hereby amended and restated in its entirety as follows:

1. Term. The term of this Agreement (the "Term") shall commence on the Effective Date and continue until the earliest of (a) March 31, 2009, (b) the closing of the sale of Supplier's business as a going concern to a Qualified Buyer (as defined below), (c) an Event of Default (defined below), (d) Comerica ceases to provide financing to Supplier during the Restructuring Process, and (e) Comerica commences any enforcement action with respect to a material portion of Supplier's real or personal property constituting collateral.

2. Amendment to Section 2.1(b). Section 2.1(b) of the Accommodation Agreement is hereby amended and restated in its entirety as follows:

(b) In the event that (i) Supplier and Comerica determine that no sale of the business of Supplier or plan of arrangement under the CCAA will be successfully concluded, Supplier shall forthwith provide notice to the

Customers in writing; or (ii) in the event that on or after March 11, 2009 a Customer decides that it wishes to resource prior to the end of the Term, Customer shall provide notice to the Supplier in writing of the date on which it desires to commence resourcing (each of the notices set forth in Section 2.1(b)(i) and 2.1(b)(ii) being a "Resourcing Notice").

3. Amendment to Section 2.1. Section 2.1 of the Accommodation Agreement is hereby amended by adding the following as Section 2.1(d):

(d) Each Customer agrees that in the event it resources under Section 2.1 and/or exercises its right to take possession of any and all Customer Tooling under Section 5.3, Customer shall, in addition to the other obligations contained in this Agreement:

(1) fully settle and pay all of its undisputed accounts payable owed to Supplier prior to removal from Supplier's premises (whether leased or owned) of any Customer Tooling or Designated Equipment being purchased;

(2) comply with all other terms of this Agreement, including continuing to fund its respective share of Customer Operations Funding, consistent with the Budget until the end of the Term;

(3) prior to being permitted to remove Customer Tooling or Designated Equipment purchased by Customer, (i) enter into an agreement with the Supplier with respect to the settlement of all disputed accounts receivable in respect of the production and delivery of Component Parts (the "Disputed Accounts"), in form and substance satisfactory to the relevant Customer, Supplier and Comerica; or (ii) pay an amount equal to the Disputed Accounts in trust to the Monitor to be held in trust in an interest bearing trust for the benefit of the Supplier or the relevant Customer, as the case may be, and dealt with in the same manner as provided for in section 13.10 hereof; and

(4) prior to any Customer entering any leased premises (the "Leased Premises") for the purpose of taking possession of or removing any Designated Equipment in accordance with the terms of this Agreement or any other machinery or equipment affixed to the Leased Premises being purchased in accordance with the terms of this Agreement, the Customer shall provide no less than two (2) business days' prior written notice to the Supplier and the landlord of the Leased Premises (unless a shorter period of time is required in the circumstances) which written notice shall include a list of the Designated Equipment and any other affixed machinery or equipment being purchased in accordance with the terms of this Agreement intended to be removed. Any Customer shall at its own cost repair any damage to the Leased Premises or any part thereof caused by

its removal of any Customer Tooling, Designated Equipment or any other machinery or equipment. Notwithstanding the foregoing, nothing in this Section shall constitute an agreement by Supplier to permit any Customer entry onto any Leased Premises for the removal of any Designated Equipment or other machinery or equipment affixed to the Leased Premises that is being purchased in accordance with the terms of this Agreement unless the applicable landlord agrees to permit the removal of any such Designated Equipment or other machinery or equipment affixed to the Leased Premises (excluding for greater certainty Customer Tooling) in less than seven days or unless a notice period of less than 7 days is provided for by order of the Court.

4. Amendments to Section 2.9(A) and Exhibit C. In the fourth line of Section 2.9(A) of the Accommodation Agreement, the words "up to US\$11,488,831" are hereby deleted and are replaced with the words "up to \$US 11,480,987".

The budget that was attached as Exhibit A to the amendment to the Accommodation Agreement effective February 27, 2009 is hereby deleted. The form of Budget attached to the Accommodation Agreement as "Exhibit C" shall be supplemented by the additional budget attached as Exhibit A to this Amendment (the "March Budget"). The March Budget is the estimated operating budget of Supplier for the period from and including February 28, 2009 to and including March 31, 2009. The March Budget shall be incorporated into and form part of Exhibit C to the Accommodation Agreement.

5. Amendments to Section 2.9(B). Section 2.9(B) of the Accommodation Agreement is hereby amended and restated in its entirety as follows:

(B) The Customer Operations Funding shall be made available through the purchase of subordinated participations in the direct borrowings of Supplier under the Comerica Facilities, pursuant to the terms of the subordinated participation agreement dated January 12, 2009, as the same has or may be amended or restated (the "Subordinated Participation Agreement"). Customers will (i) on the Effective Date for the working days during the week of the Effective Date, and (ii) during the Term, on or before the Friday of each week for the week that immediately follows (and in the case of the payment due on or before Friday, March 20, 2009, for the week that immediately follows and for the period to and including March 31, 2009), purchase subordinated participations from Comerica in the amounts estimated by Supplier as being required to satisfy the obligations of Supplier to operate during the applicable week (or in the case of the payment due on or before Friday, March 20, 2009, in the amounts estimated by Supplier as being required to satisfy the obligations of Supplier to operate to and including March 31, 2009) in excess of the

Supplier's existing availability under the Comerica Facilities (the "Weekly Funding Amount"). The Weekly Funding Amount shall be calculated in a manner to permit payment by Supplier of such estimated obligations, whether or not actually paid in that week.

6. Amendment to Section 3.10. Section 3.10 of the Accommodation Agreement is amended by amending and restating subparagraphs (c) and (d) in their entirety as follows:

(c) Intentionally deleted; and

(d) Close; Implementation. By no later than March 31, 2009, close the sale of Supplier's assets to a Qualified Buyer.

7. Amendment to Section 6.2 Section 6.2.1 of the Accommodation Agreement is amended and restated in its entirety as follows:

6.2.1 For clarity, the option to purchase Designated Equipment set out in Section 6.2 shall not expire earlier than 15 days after March 31, 2009.

8. Amendment to Section 13.10. Section 3.10 of the Accommodation Agreement is amended by replacing the words, "sections 5.5 and 6.3" with the words, "sections 2.1(d)(3), 5.5 and 6.3".

9. Reaffirmation of Obligations. Each of the Customers, Supplier and Comerica hereby reaffirm all of their respective obligations under the Accommodation Agreement.

10. Continued Effectiveness. Except as explicitly amended hereby, the Accommodation Agreement remains in full force and effect.

11. Execution. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their respective signatures may be delivered by facsimile or other electronic means, and that facsimile or electronic signatures will be treated as originals for all purposes.

12. Capitalized Terms. Unless otherwise defined herein, capitalized terms are as defined in the Accommodation Agreement.

*(Signatures contained on next page)*

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company

\_\_\_\_\_  
print name



Each of undersigned consent and agree to all terms and conditions of the foregoing Amendment.

**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

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

**“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

### **THIRD AMENDMENT TO ACCOMMODATION AGREEMENT**

SKD Company ("Supplier"), Ford Motor Company ("Ford"), Chrysler Canada Inc. ("Chrysler Canada"), Chrysler LLC, on behalf of itself and Chrysler Motors LLC (together with Chrysler Canada, "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") (collectively, the "Customers") and Comerica Bank ("Comerica") enter into this Third Amendment to Accommodation Agreement (the "Amendment") effective as of April 1, 2009.

#### **RECITALS**

A. Supplier, the Customers and Comerica entered into an Accommodation Agreement dated January 21, 2009, as amended by an Amendment to the Accommodation Agreement dated February 27, 2009 and the Second Amendment to the Accommodation Agreement effective as of March 1, 2009 (collectively, the "Accommodation Agreement") providing for continued production, subject to the terms and conditions set forth therein, through March 31, 2009.

B. Supplier, the Customers and Comerica have agreed to extend the term of the Accommodation Agreement through April 30, 2009 and make certain other modifications set forth herein.

**BASED UPON THE FOREGOING RECITALS** and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

#### **TERMS AND CONDITIONS**

1. Amendment to Section 1. Section 1 of the Accommodation Agreement is hereby amended and restated in its entirety as follows:

1. Term. The term of this Agreement (the "Term") shall commence on the Effective Date and continue until the earliest of (a) April 30, 2009, (b) an Event of Default (defined below), and (c) Comerica ceases to advance to the Supplier funds from the subordinated participations purchased by Customers.

2. Amendments to Section 2.9(A) and Exhibit C. In the fourth line of Section 2.9(A) of the Accommodation Agreement, the words "up to US\$11,480,987" are hereby deleted and are replaced with the words "up to US\$12,571,218".

The Accommodation Agreement is hereby amended by adding the following sentence to the end of Section 2.9(A):

For greater certainty, the Cap does not include the subordinated participations in the amount of \$1,095,541 purchased by the Customers to fund the employee retention plan escrow agreement.

The form of Budget attached to the Accommodation Agreement as "Exhibit C" shall be supplemented by the additional budget attached as Exhibit A to this Amendment (the "April Budget"). The April Budget is the estimated operating budget of Supplier for the period from and including March 31, 2009 to and including April 30, 2009. The April Budget shall be incorporated into and form part of Exhibit C to the Accommodation Agreement.

3. Amendments to Section 2.9(B). Section 2.9(B) of the Accommodation Agreement is hereby amended by adding the following paragraph to the end of Section 2.9(B):

Notwithstanding the foregoing provisions of this Section 2.9(B), Customers will no later than April 3, 2009 purchase subordinated participations from Comerica in an additional amount of US\$2,187,000, estimated by Supplier as being required to satisfy the obligations of Supplier to operate from and including April 1, 2009 to and including April 30, 2009.

4. Reaffirmation of Obligations. Each of the Customers, Supplier and Comerica hereby reaffirm all of their respective obligations under the Accommodation Agreement.

5. Continued Effectiveness. Except as explicitly amended hereby, the Accommodation Agreement remains in full force and effect.

6. Execution. This Amendment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and taken together will constitute but one and the same instrument. The parties agree that their respective signatures may be delivered by facsimile or other electronic means, and that facsimile or electronic signatures will be treated as originals for all purposes.

7. Capitalized Terms. Unless otherwise defined herein, capitalized terms are as defined in the Accommodation Agreement.

*(Signatures contained on next page)*

**CHRYSLER CANADA INC.**

By: [Signature]  
I have authority to bind the Corporation  
Sigmund Heber  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

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

By: [Signature]  
I have authority to bind the Corporation  
Mary Ann Kirsch  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.  
\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company  
\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation


\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**


By:   
I have authority to bind the NMC  
Canada, Inc.

\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation

\_\_\_\_\_  
print name

By:   
I have authority to bind the 2515080  
Nova Scotia Company

\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: Susan DeSandre  
I have authority to bind the Corporation  
Susan DeSandre  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.  
\_\_\_\_\_  
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company  
\_\_\_\_\_  
print name

**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
  
\_\_\_\_\_   
print name


**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
  
\_\_\_\_\_   
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation  
  
\_\_\_\_\_   
print name

**HONDA OF AMERICA MFG., INC.**

By:   
I have authority to bind the Corporation  
  
THOMAS E. LAKE  
print name **ASSOCIATE CHIEF ADVISOR**

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.  
  
\_\_\_\_\_   
print name

**COMERICA BANK**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
  
\_\_\_\_\_   
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company  
  
\_\_\_\_\_   
print name



**CHRYSLER CANADA INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

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

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**HONDA OF AMERICA MFG., INC.**

By: \_\_\_\_\_  
I have authority to bind the Corporation  
\_\_\_\_\_  
print name

**SKD COMPANY, by its partners, NMC  
CANADA, INC. and 2515080 NOVA  
SCOTIA COMPANY**

By: \_\_\_\_\_  
I have authority to bind the NMC  
Canada, Inc.  
\_\_\_\_\_  
print name

**COMERICA BANK**

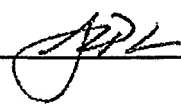
By: \_\_\_\_\_  
I have authority to bind the Corporation  
*GARY P. MACH*  
\_\_\_\_\_  
print name

By: \_\_\_\_\_  
I have authority to bind the 2515080  
Nova Scotia Company  
\_\_\_\_\_  
print name

Each of undersigned consent and agree to all terms and conditions of the foregoing Amendment.

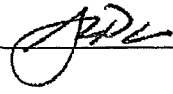
**SKD AUTOMOTIVE GROUP,  
LIMITED PARTNERSHIP**

By: PL International Corporation  
Its: General Partner

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


**"GUARANTORS"**

**NMC CANADA INC.**

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


**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:  \_\_\_\_\_


Its:

**2515080 NOVA SCOTIA COMPANY**

By:  \_\_\_\_\_  
John Chen

Its: Vice President

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

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

Its:

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

By:  \_\_\_\_\_  
John Chen

Its: Treasurer

## **Appendix “D”**

**SKD Company (Canada)**  
**PAYMENTS UPON EXIT**

	<u>\$ CAD</u>	<u>\$ USD</u>
<b><u>Funding from Chrysler to Monitor</u></b>		
Funds Wired to Monitor on May 15, 2009		\$ 3,173,778.00
Funds Wired to Monitor on May 19, 2009		116,326.00
<b>Total Funding Provided to Monitor</b>		<b><u><u>\$ 3,290,104.00</u></u></b>
 <b><u>Funding from Monitor to SKD</u></b>		
Reconciled Payables		
Chrysler LLC	344,153.23	
Chrysler Canada	716,364.38	
Steel Offload	<u>(168,651.00)</u>	
Total Reconciled Payables		891,866.61
Invoice for Prototype Parts		80,222.00
Partial Payments for Unreconciled Amounts		1,244,419.04
Partial Prepayment for Unshipped Parts		417,557.30
Payment for May Costs at Brampton		<u>193,326.00</u>
<b>Total Payment Released by Monitor</b>		<b><u><u>\$ 2,634,064.95</u></u>    <u>\$ 193,326.00</u></b>
Amount Funded by Chrysler to Monitor		\$ 3,290,104.00
Amounts Funded by Monitor to SKD		
in \$ USD		(193,326.00)
in \$ CAD	(2,634,064.95)	<u>(2,268,983.55)</u>
<b>Amount Held by Monitor for Disputes</b>		<b><u><u>\$ 827,794.45</u></u></b>

**SKD Company (Canada)**  
**ALLOCATION OF PAYMENT BY CHRYSLER ENTITY**  
*As of May 14, 2009*

In \$CAD	Chrysler Canada	Chrysler LLC	Unknown	Totals	Payment to SKD	Balance w/ Monitor
<b>Undisputed:</b>						
Undisputed Payables	\$ 716,364	\$ 344,153		\$ 1,060,518	\$ 1,060,518	-
Undisputed Steel Contra			(168,651)	(168,651)	(168,651)	-
Net Undisputed Payable	\$ 716,364	\$ 344,153	\$ (168,651)	\$ 891,867	\$ 891,867	-
<b>Disputed:</b>						
Pricing Differences		\$ 800		\$ 800	\$ -	\$ 800
Missing Parts Bank Invoices	72,593			72,593	68,964	3,630
Missing Invoices - Recent	1,081,489	453,283		1,534,773	1,458,034	76,739
Setoff Limitation			549,992	549,992	-	549,992
Credit/Debit Memos			(46,872)	(46,872)	(44,529)	(2,344)
Total Disputed Payables	1,154,083	454,083	503,119	2,111,285	1,482,469	628,816
Disputed Steel Contra			(250,579)	(250,579)	(238,050)	(12,529)
Net Disputed Payable	1,154,083	454,083	252,540	1,860,706	1,244,419	616,287
<b>Inventory to be Purchased:</b>						
Brampton Finished Goods (1)			439,534	439,534	417,557	21,977
MOPAR Inventory (1,2)			370,939	370,939		370,939
Brampton Prototype Parts - Invoice # 80346		80,222		80,222	80,222	-
May Funding - Brampton - 1 week of Salaries			90,588	90,588		-
<b>Totals</b>	<b>\$ 1,870,447</b>	<b>\$ 878,459</b>	<b>\$ 984,951</b>	<b>\$ 3,733,856</b>	<b>\$ 2,634,065</b>	<b>1,009,203</b>

In \$US	Chrysler Canada	Chrysler LLC	Unknown	Totals		
<b>Undisputed:</b>						
Undisputed Payables	\$ 608,910	\$ 292,530	\$ -	\$ 901,440	\$ 913,530	(12,090)
Undisputed Steel Contra	-	-	(143,353)	(143,353)	(145,276)	1,923
Net Undisputed Payable	\$ 608,910	\$ 292,530	\$ (143,353)	\$ 758,087	0 \$ 768,254	(10,167)
<b>Disputed:</b>						
Pricing Differences	\$ -	\$ 680	\$ -	\$ 680	\$ -	\$ 680
Missing Parts Bank Invoices	61,704	-	-	61,704	59,405	2,299
Missing Invoices - Recent	919,266	385,291	-	1,304,557	1,255,951	48,606
Setoff Limitation	-	-	467,493	467,493	-	467,493
Credit/Debit Memos	-	-	(39,842)	(39,842)	(38,357)	(1,484)
Total Disputed Payables	980,970	385,971	427,651	1,794,592	1,276,999	517,594
Disputed Steel Contra	-	-	(212,992)	(212,992)	(205,056)	(7,936)
Net Disputed Payable	980,970	385,971	214,659	1,581,600	- 1,071,943	509,658
<b>Inventory to be Purchased:</b>						
Brampton Finished Goods (1)	-	-	373,604	373,604	- 359,684	13,920
MOPAR Inventory (1,2)	-	-	315,298	315,298	-	315,298
Brampton Prototype Parts - Invoice # 80346	-	68,189	-	68,189	69,103	(915)
May Funding - Brampton - 1 week of Salaries	-	-	77,000	77,000	116,326	-
<b>Totals</b>	<b>\$ 1,589,880</b>	<b>\$ 746,690</b>	<b>\$ 837,208</b>	<b>\$ 3,173,778</b>	<b>\$ 116,326</b>	<b>\$ 2,268,984</b>

Conversion Rate

0.85

Notes:

(1) Inventory has not been counted by Chrysler, so a portion of the amount may be disputed.

(2) MOPAR inventory has also not been counted; it is believed much is not usable.

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