

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM) THURSDAY, THE 2ND
JUSTICE PEPALL) DAY OF JULY, 2009



GENERAL MOTORS CORPORATION

Plaintiff

- and -

NIAGARA MACHINE PRODUCTS CORPORATION

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by Zeifman Partners Inc., in its capacity as the Court-appointed Receiver and Manager (the "**Receiver**") of the property, assets and undertaking of Niagara Machine Products Corporation (the "**Debtor**"), for an Order, among other things, approving the Auction Services Agreement dated June 19, 2009 (the "**Auction Services Agreement**") between the Receiver and Premier Asset Recovery Group, LLC ("**Premier**") and vesting in the purchasers (the "**Purchasers**") of the assets described in the Auction Services Agreement (the "**Auction Assets**") all of the Debtor's right, title and interest in and to the Auction Assets was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report to the Court of the Receiver dated June 23, 2009 (the "Second Report") and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and it is hereby abridged, if necessary, that the motion is properly returnable today, that further service thereof be and is hereby dispensed with and that all parties entitled to receive service of the Notice of Motion have been duly served.

2. **THIS COURT ORDERS** that the conduct and activities of the Receiver from the date of the First Report to the Court of the Receiver dated May 4, 2009 to the date of the Second Report are hereby approved.

3. **THIS COURT ORDERS** that the Second Report is hereby approved.

4. **THIS COURT ORDERS AND DECLARES** that the Auction Services Agreement be and it is hereby approved ~~and the transactions contemplated therein are commercially reasonable and in the best interests of the Debtor and its stakeholders.~~ The execution of the Auction Services Agreement by the Receiver be and it is hereby authorized and approved and the Receiver be and it is hereby authorized and directed to complete the transactions contemplated by the Auction Services Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated by the Auction Services Agreement and for the conveyance of the Auction Assets to the Purchasers. smo.

5. **THIS COURT ORDERS** that the executed unredacted copy of the Auction Services Agreement be and it is hereby sealed until the transaction contemplated by the Auction Services Agreement is closed as evidenced by the filing of the Receiver's Certificate (as described below). *or until further order of this court.* smo.

6. **THIS COURT ORDERS AND DECLARES** that, upon the filing of a Receiver's Certificate in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Auction Assets shall vest absolutely in the Purchasers free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual,

statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Pepall dated December 22, 2008 or otherwise; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) the Execution Certificate effective April 14, 2009 in favour of the Workplace Safety and Insurance Board.

7. **THIS COURT ORDERS** that, for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Auction Assets shall stand in the place and stead of the Auction Assets and that all Claims shall attach to the net proceeds from the sale of the Auction Assets with the same priority as they had with respect to the Auction Assets immediately prior to the sale as if the Auction Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Auction Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial

legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the transactions contemplated by the Auction Services Agreement are exempt from the application of the *Bulk Sales Act* (Ontario).

10. **THIS COURT ORDERS** that the Receiver is authorized to destroy all of the Debtor's books and records listed in Schedule "B" attached hereto. *on the expiry of 30 days from today. The Receiver is to forthwith serve a copy of this order on the shareholders of the Respondent.*

11. **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 of America 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.

Styball, J

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

JUL 02 2009

PER / PAR: *Styball*

Schedule A – Form of Receiver’s Certificate

Court File No. CV-08-79415-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

GENERAL MOTORS CORPORATION

Plaintiff

- and -

NIAGARA MACHINE PRODUCTS CORPORATION

Defendant

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (the “**Court**”) dated December 22, 2008, Zeifman Partners Inc. was appointed as the Receiver and Manager (the “**Receiver**”) of the property, assets and undertaking of Niagara Machine Products Corporation (the “**Debtor**”).

B. Pursuant to an Order of the Court dated [DATE], the Court approved the Auction Services Agreement dated June 19, 2009 (the “**Auction Services Agreement**”) between the Receiver and Premier Asset Recovery Group, LLC (“**Premier**”) for the sale of the assets described in the Auction Services Agreement (the “**Auction Assets**”), and provided for the vesting in the purchasers of the Auction Assets (the “**Purchasers**”) all of the Debtor’s right, title and interest in and to the Auction Assets, which vesting is to be effective upon the filing by the Receiver of a certificate confirming (i) the payment by the Purchasers to Premier for the Auction Assets; (ii) the payment by Premier to the Receiver in accordance with the terms of the Auction

Services Agreement; and (iii) the transaction pursuant to the Auction Services Agreement has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchasers have paid the purchase price for the Auction Assets to Premier;
2. Premier has remitted the proceeds from the sale of the Auction Assets to the Receiver in accordance with the terms of the Auction Services Agreement;
3. the transaction contemplated by the Auction Services Agreement has been completed to the satisfaction of the Receiver; and
4. this Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

ZEIFMAN PARTNERS INC., in its capacity as the Court-appointed Receiver and Manager, without security, of the property, assets and undertaking of Niagara Machine Products Corporation, with no personal or corporate liability.

Per: _____

Name: Allan Rutman

Title: President

Schedule B – List of Books and Records to be Destroyed

Location	Description of Documents
Allison's Filing Cabinet	Blanks forms relating to benefits 2000 - 2005 Christmas banquet files Attendance journals Visitor sign in logs Rate change history sheets MOL. excess hour approval forms job posting history Non conforming product tickets modified work program records short term disability copies previous to 1993 work share program files payroll / benefit manuals
Allison's desk	Temporary agency employee records forms relating to payroll orientation forms
Joanne's filing cabinet	Operations graphs Misc.- computer program instruction - correspondence
Joanne's desk	08 depreciation schedule files
Liz's filing cabinet (1)	NAFTA information Customs correspondence Production costing information employee awards info B.O.D. presentation copies quote sheets Production set up sheet info computer procedure manuals
Liz's filing cabinet (2)	computer service invoice copies customer correspondence files supplier communication manuals seminar manuals / operations manuals employee emergency contact files promotional catalogues supplier contact file cards SCMP customer P.O.'s not related to GM NMP customer P.O's not related to GM customer pkgs forms sales analysis info old raw material contract copies
Liz's desk	SBCEP (China communications SBCEP raw material files NAFTA certs Sales info files Canada customs rulings Customer quote files

Cathy's Desk	Email communications - suppliers SBCP Raw material communication files Password files Labelling info files SBCP production records Old SCMP equipment list files
Cathy's filing cabinet	Supplier communication files Customer communication files Supplier training files Production recording files Production inventory files Production planning files Operation measurable files 2005 employee shipping employee review files
Pat's filing cabinet	Attendance records 08 payroll time ticket reports vacation and stat pay records Blank WSIB forms
Pat's desk	Raw material records
Cindy's desk	Ontario sales tax exemption forms 2005-2005 records of MOE payments for reporting requirements Car Leasing correspondence Envelopes computer training manual
Kelvin's Office Book Shelf (1)	Quality reports Training seminar manuals customer communication files Research and Development records 1998 - 2001 Franklin planning books production meeting minutes customer requirements manuals
Book shelf (2)	Boa Steel Data Room sign off agreements Due Diligence Files - Binders 1A, 2,4,5,7,8,9,10
Table	Due Diligence Files - Binders 3, 6, 8A SCMP previous years depreciation schedules SCMP 1994 - 1999 outside environmental assessments
Credenza (1)	NMP Brochures Computer Manuals
Boxes on Floor	Supplier communication files Customer quote copies Customer communication files

Credenza (2)	<ul style="list-style-type: none"> Customer seminar manuals Legal proceedings files Stephen Chan BOD meeting files Budget files computer system operation procedures manuals old financial files plant meeting files quote files employee communication files monthly financial / operations reports copies of financial statements customer communication files
Desk	<ul style="list-style-type: none"> Employee wage / benefits meeting minutes Previous years financial audit correspondence employee communication files NMP depreciation schedules SBCP - Index Corporation communication file Sales and marketing files
Receivers Office Credenza	<ul style="list-style-type: none"> 2003 wage reports 2003 monthly payroll reports customer correspondence Sales analysis reports Machine Hour Rate reports Quote sheets Customer communication files Budget files Financial statement copies Accounts payable history reports - 2006 Previous years Franklin Planners
Floor - Boxes	<ul style="list-style-type: none"> Monthly financial / operations reports 2006 monthly wage summaries various employee related files (training programs, communications) BOD reports copies of financial statements Customer communication files
Bookshelf	<ul style="list-style-type: none"> Computer network binders Machine Hour Rate files 2002 - 2005 business plans 2001 - 2003 capital tracking records Procedure manuals
Filing Cabinet	<ul style="list-style-type: none"> Old lease agreements / contracts BOD presentations Customer Performance tracking Forecast files Customer communication files

Desk	Monthly financial / Operation books External Seminar books Part description files Budget information files Operations tracking files customer communication files quotes misc. employee communication files
Julie's office Floor	Customer shipping schedules production reporting reports customer communication files job cost reports inventory reports copies of packing slips employee time ticket reports Wage tracking cards copies of material certs Production plans
Desk	B.O.D. Reports Copies of Financial statements Cash Flow reports Purchase Contracts - Boa Court Communications - Boa Court
Credenza	Budes Business evaluation files cash flow files copies of financial statements financial planning files Asset listing files B.O.D. presentations Banking agreement files financial audit files working paper files NMP policy files Plant communication files
Filing cabinet	job cost info files manuals Financial planning files
Chair	Due Diligence files from Boa Steel Joint Venture
Plant Floor - Boxes	SCMP production travellers / quality reports
Plant - 2 black filing cabinets	Parts info forms Quality sorting requirement files

Plant floor (3 boxes)	Customer releases Production reporting records
Office Supply Storage Room	Copies of customer packing slips Production reports Inventory cost reports manuals payroll time ticket journals Blank letter head Blank packing slips Blank Purchase orders Envelopes
Sean's office Floor	Copies of packing slips production sheets inventory tags customer releases Financial / Operations books SBCP production reports
Credenza	Operations and production minutes Previous years franklin planners SCMP salary review files
Ed's Desk	Computer correspondence files IT related correspondence
Shipping Office Filing Cabinet	Sub contractor control sheets
Larry's Desk	Lift truck inspection sheets quotes inventory files SBCP certs for shipments via Pack N Rail Daily shipping logs
Nicole's Desk	Logistics reports daily shipping logs
Quality Lab	In process checklists part blueprints gauge certifications training manuals user manuals material certifications
Office - Quality Lab	Pre Production Approval records
Filing cabinet Lab	Pre Production Approval submissions

Desk Quality Lab	Misc Fax files gauge quotes process control plans - production pack / sort record sheets
Supervisors office Production mgr. desk	daily production reports
Tooling crib filing cabinet	tooling information tooling set up charts order forms
Maintenance - Nicks desk	Alarm code list quotes
Ken's filing cabinet	machine manuals Preventative maint. check lists
Production office Filing Cabinet	quote inquiries engineering change orders prints
Desk #1	production sheets / reports
Desk # 2	job postings vacation request forms Production reports tooling sheets
Desk # 3	Pre Production approval sheets maps
Desk # 4	Prints Engineering change notices scrap reports document change forms contractor safety compliance contracts process flow diagrams
Desk # 5	Tooling prints Engineering change notices
Desk # 6	Engineering change notices tooling prints
Desk # 7	Training material production studies part prints
Joe's desk	safety meeting minutes plant layouts

part prints
job posting applications
MDS sheets
quotes
job cost sheets
maps
prints
service manuals

Quality office
Desk #1

customer complaints
training files
process control sheets
quotes
engineering change orders
part prints
quality related reports

Desk # 2

Trip reports
raw material info
heat treat info files
process audit checklists

Shelf # 1

QMS training files
supplier issues files

Desk # 3

Capability studies
P.O.'s
part prints
engineering change orders
gauge prints
QSB audit reports
budgets
capital projects
maps
supplier action plan reports
capability analysis reports
supplier process audit checklists
part prints

shelf # 2

process audits
ISO audits - internal and external

Desk # 4

trip reports
maps
part prints

Cabinet

Internal / external audit reports
customer complaints

Desk # 5

maps
organization charts

Desk # 6	engineering change notice corrective action reports part prints
Conference room	training material safety kleen records
SCMP - engineering office boxed on floor	production records customer drawings quote files production plans copies of financial statements inventory reports customer correspondence supplier correspondence Monthly financial / operations reports BOD presentations supplier performance tracking blanks shipping forms letter head envelopes engineering files

GENERAL MOTORS CORPORATION

Applicant

and

NIAGARA MACHINE PRODUCTS CORPORATION

Respondent

Court File No.: CV-08-7915-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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Court-appointed Receiver and Manager, without security, of
all of the property, assets and undertaking of Niagara
Machine Products Corporation