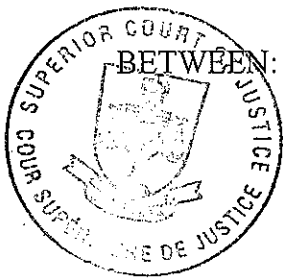


Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM ) MONDAY, THE 22<sup>ND</sup> DAY  
JUSTICE SARAH E. PEPALL ) OF DECEMBER, 2008  
)



**GENERAL MOTORS CORPORATION**

Applicant

-and-

**NIAGARA MACHINE PRODUCTS CORPORATION**

Respondent

**ORDER**

THIS APPLICATION, made by the Applicant 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 Zeifman Partners Inc. as the Receiver and Manager (the "Receiver"), without security, of all of the assets, undertakings and properties of Niagara Machine Products Corporation (the "Debtor") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Steven Braithwaite and the Exhibits thereto (the "Braithwaite Affidavit") and on hearing the submissions of counsel for the Applicant and

counsel for the Respondent and being advised that the Respondent does not oppose the granting of the Order and on reading the Consent of Zeifman Partners Inc. to act as the Receiver:

### **SERVICE**

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

2. THIS COURT ORDERS that the Applicant, the Respondents, the Receiver and any other party or parties who are or may become parties in these proceedings may serve any court materials (including, without limitation, application records, motion records, facts and orders) in these proceedings on all represented parties by prepaid mail, courier, personal delivery, telecopier or electronic transmission (including, without limitation by emailing a PDF copy of such materials) to any interested party at their addresses on the service list and that such service or notice shall be deemed to be received the day of forwarding or, if sent by ordinary mail, on the ~~second~~ business day following the mailing.

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### **APPOINTMENT**

3. THIS COURT ORDERS that, pursuant to Section 101 of the CJA, Zeifman Partners 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**

4. 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 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 manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- d) 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;
- e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- f) 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;
- g) to settle, extend or compromise any indebtedness owing to the Debtor;
- h) 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;
- i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- j) 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;

- k) 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;
- l) 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 \$1,000,000.00, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000.00; 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,
    - 1. and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- m) 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;
- n) 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;
- o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- p) 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;
- q) 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;
- r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- s) 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.

#### **SPECIFIC PROVISIONS**

5. THIS COURT ORDERS that the Orderly Wind-Down Agreement dated December 22, 2008 (the "Agreement") between the Debtor and the Applicant, a copy of which is attached hereto as Schedule "A", be and it is hereby ratified and approved, and shall have full force and effect in the within proceedings. In the event of any inconsistency between the provisions of this Order and the terms of the Agreement, the terms of the Agreement shall govern.

6. THIS COURT ORDERS that, without limiting paragraph 5 above, the Receiver is authorized and directed to do all things contemplated to be done by the Receiver in the Agreement, as and when contemplated to be done therein, including, without limitation, as set out in Sections 1, 2, 4, 5 and 7 of the Agreement.

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

7. 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.

8. 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 8 or in paragraph 9 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.

9. 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**

10. 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**

11. 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**

12. 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**

13. 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**

14. 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, payroll 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**

15. 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.

## **EMPLOYEES**

16. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. 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, provided that pursuant to subsection 14.06(1.2) of the BIA the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtor including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA.

17. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

18. THIS COURT ORDERS that, upon the appointment of the Receiver, GM shall advance the sum of \$298,500 (the "KERP Amount") to the Receiver in respect of a key employee retention plan for Kelvin Lynch and certain other current employees of NMPC (each a "KERP Employee") as a loan pursuant to paragraph 24 hereof. The Receiver shall hold the KERP Amount in escrow and the individual KERP Amount pertaining to a particular KERP Employee shall be released by the Receiver to such KERP Employee if: (i) such KERP Employee dedicates his or her full-time efforts as directed by the Receiver until the earlier of (x) the end of the Receivership Term and (y) March 31, 2009; (ii) such KERP Employee's employment or consulting agreement (as the case may be) is terminated by the Receiver without cause; or (iii) such KERP Employee is not employed or engaged by the Receiver on terms substantially similar

to the terms of his or her present employment with NMPC. Any Individual KERP Amount payable to a KERP Employee shall be payable in accordance with the Agreement.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

19. 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**

20. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out 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**

21. 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 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").

22. 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.

23. 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.

#### **FUNDING OF THE RECEIVERSHIP**

24. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from GM by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge. Notwithstanding the foregoing, GM shall advance to the Receiver all such amounts as are contemplated to be advanced in the Agreement, as and when contemplated therein.

25. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

26. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

27. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank sixth in priority as more particularly described in paragraph 3 of the Agreement.

### **GENERAL**

28. 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.

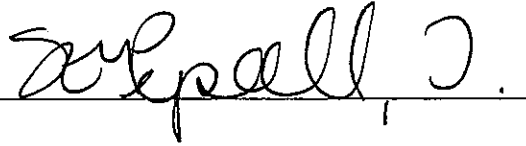
29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States and or in China 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.

31. 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.

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. 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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# SCHEDULE "A"

## ORDERLY WIND-DOWN AGREEMENT

This Orderly Wind-Down Agreement (this "Agreement") dated December 22, 2008, is entered into among General Motors Corporation (for itself and on behalf of its subsidiaries, "GM"), Niagara Machine Products Corporation ("NMPC") and St. Catharines Machine Products Inc. ("SCMPI") (each, a "Party" and collectively, the "Parties"). For good and valuable consideration, the sufficiency of which is hereby acknowledged by each Party to the other, the Parties agree as follows:

1. **Employee Expenses:** The Receiver (as defined below) shall pay all wages, vacation pay, and EI, CPP and Canadian income tax source deductions for all employees of NMPC (collectively, the "Employee Amounts") owing by NMPC as of the date the Receivership (as defined below) is commenced and all Employee Amounts incurred during the term of the Receivership (the "Receivership Term"). If the Receiver fails to pay any of the Employee Amounts, GM shall fund to the Receiver the amount of money necessary to enable the Receiver to pay the Employee Amounts. For greater certainty: (i) the Employee Amounts do not include any deferred compensation, year-end bonuses, incentive pay, additional annual compensation or similar amounts; and (ii) GM shall not be responsible to fund any termination pay, severance pay or pension obligations of NMPC.
2. **Supplier Expenses:** The Receiver shall pay: (i) all rent payable to NMPC's landlord in respect of the leases of NMPC's two facilities from January 1, 2009, until the end of the Receivership Term (the "Rent"); and (ii) all amounts payable to NMPC's office services provider in respect of the provision of office/administrative services and NMPC's computer system from January 1, 2009, until the end of the Receivership Term (the "Office Services"). All amounts owing by the Receiver in respect of the Rent and the Office Services for a particular month shall be paid by the Receiver in full on the first of every month during the Receivership Term. If the Receiver fails to pay the Rent and Office Services amounts, GM shall fund to the Receiver the amount of money necessary to enable the Receiver to pay the Rent and Office Services amounts. GM irrevocably consents to NMPC paying amounts owing by it in respect of the Rent and Office Services for the period beginning November 1, 2008, and ending December 31, 2008, notwithstanding the terms of any existing or future postponement or subordination agreement between GM and NMPC. If the Rent and Office Services amounts owing by NMPC for the period beginning December 1, 2008, and ending December 31, 2008, are not paid by NMPC on or before December 19, 2008, the Receiver shall pay such amounts on the date the Receivership is commenced and, if the Receiver fails to pay such amounts, GM shall fund to the Receiver the amount of money necessary to enable the Receiver to pay such amounts.
3. **NMPC Indebtedness:**
  - a. Subject to Section 4 below, GM and SCMPI agree that any and all proceeds (including, without limitation, money, choses in action, assets and other property) derived from NMPC's non-fixed assets (but excluding proceeds from New Inventory (as defined below)), regardless of whether such proceeds arise before, during or after the Receivership Term (collectively, the "Non-Fixed Assets

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Proceeds of Realization"), shall be applied to the NMPC Indebtedness (as defined below) as follows:

- i. firstly, to SCMPI for amounts owing to it under that certain promissory grid note issued by NMPC to SCMPI and dated as of December 6, 2007 (the "SCMPI Debt"), to a maximum of \$1,625,000;
  - ii. secondly, to GM for certain indebtedness formerly owing to Canadian Imperial Bank of Commerce ("CIBC") and assigned to GM through an assignment and assumption agreement between CIBC and GM dated November 26, 2008 (the "Assignment Agreement"), pursuant to which CIBC assigned an amended and restated credit agreement dated as of May 22, 2008, among CIBC, SCMPI and NMPC, as amended by a credit amending agreement dated June 16, 2008 (collectively, the "CIBC Loan Documents"), and all amounts owing by NMPC to CIBC under the CIBC Loan Documents including, for greater certainty, the GM Operating Credit Advance as defined in the Assignment Agreement (collectively, the "CIBC Debt"), to a maximum of \$6,533,130;
  - iii. thirdly, to SCMPI for amounts owing to it in respect of the SCMPI Note and for SCMPI's costs associated with the Receivership (to a maximum of \$75,000), to an aggregate maximum of \$1,700,000;
  - iv. fourthly, to GM for all remaining amounts owing to it in respect of the CIBC Debt;
  - v. fifthly, to GM for all amounts owing to it under that certain demand promissory note issued by GM to NMPC and dated November 19, 2008 (the "GM Debt"); and
  - vi. sixthly, to GM in respect of any loans or advances by GM to the Receiver during the Receivership Term (the "Receivership Loans" and together with the GM Debt, the SCMPI Debt and the CIBC Debt, the "NMPC Indebtedness").
- b. Notwithstanding Section 3.a hereof, GM and SCMPI agree that any and all proceeds (including, without limitation, money, choses in action, assets and other property) derived from the New Inventory (as defined below), regardless of whether such proceeds arise during or after the Receivership Term (collectively, the "New Inventory Proceeds of Realization") shall be applied as follows:
- i. firstly, to GM for all amounts owing to it in respect of the GM Debt or the Receivership Loans in any order GM elects in its discretion; and
  - ii. secondly, to GM for all amounts owing to it in respect of the CIBC Debt.
- c. GM and SCMPI agree that any and all proceeds (including, without limitation, money, choses in action, assets and other property) derived from NMPC's fixed assets (including, without limitation, all present and future fixed assets of

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whatsoever nature and kind and wheresoever situate of NMPC including, without limitation, all tooling, machinery, equipment, tools, jigs, dies, gauges, fixtures, moulds and patterns), regardless of whether such proceeds arise before, during or after the Receivership Term (collectively, the "Fixed Assets Proceeds of Realization" and, with the Non-Fixed Assets Proceeds of Realization and the New Inventory Proceeds of Realization, the "Proceeds of Realization") shall be applied to the NMPC Indebtedness as follows:

- i. firstly, to SCMPI for all amounts owing to it in respect of the SCMPI Debt and SCMPI's costs associated with the Receivership, to a maximum of \$3,325,000; and
  - ii. secondly, to GM for any amounts owing to it in respect of the GM Debt, the CIBC Debt or the Receivership Loans in any order GM elects.
- d. "Security" means:
  - i. all security in respect of the CIBC Debt assigned to GM by CIBC pursuant to the Assignment Agreement and identified on Schedule "B" of the Assignment Agreement;
  - ii. a general security agreement executed by NMPC in favour of SCMPI and dated December 6, 2007, as amended by a general security agreement amendment no. 1 between NMPC and SCMPI dated May 22, 2008, charging all of NMPC's existing and future undertaking and assets to stand as continuing security for the existing and future indebtedness, liabilities and obligations of NMPC to SCMPI including, without limitation, the SCMPI Debt; and
  - iii. a security agreement dated as of October 23, 2008 (the "GM Security Agreement"), charging the Secured Property (as defined in the GM Security Agreement) as continuing security for the GM Debt.
- e. GM and SCMPI agree to subordinate, defer and postpone for all purposes payment of their respective NMPC Indebtedness and any realization on their respective Security such that neither shall be entitled to receive payment or satisfaction in whole or in part of any kind in respect of their respective NMPC Indebtedness, except as is in accordance with this Agreement. Notwithstanding anything to the contrary in this Agreement, and excluding any action to preserve its Security, unless agreed otherwise by the Receiver, SCMPI shall not take any action in respect of any of NMPC's fixed assets during the Receivership Term if such action would deprive NMPC and the Receiver from using such assets to produce component parts for NMPC's customers, including GM.
- f. The rights of GM and SCMPI and the priorities of the NMPC Indebtedness and the distribution of the Proceeds of Realization set out in this Agreement shall apply irrespective of any matter or thing, including:



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- i. the lack of perfection, validity or enforceability of any provision of the Security or any agreement underlying the NMPC Indebtedness;
- ii. the time of perfection, creation, granting, execution, delivery, attachment, registration (to the extent registration is required), filing, crystallization or enforcement of any of the Security or the NMPC Indebtedness or any part thereof;
- iii. the jurisdictions where any of the Security is registered or the failure of either of GM or SCMPI to properly register or perfect any of the Security in any particular jurisdiction;
- iv. the time of any loan, advance or other extension of credit made to NMPC by GM or SCMPI;
- v. any priority otherwise accorded to the NMPC Indebtedness or the Security under applicable law;
- vi. the provisions of the instruments or documents creating any of the Security or the NMPC Indebtedness; or
- vii. any other matter whatsoever.

Any action taken or thing done by GM or SCMPI in contravention of this Agreement will be null and void and of no effect. Notwithstanding the validity, perfection, enforceability or effectiveness of any of the Security or the NMPC Indebtedness, or the terms of any other agreement, the Security and the Indebtedness shall be deemed to have the relative priorities which would result in the Proceeds of Realization being applied and distributed as provided for in this Agreement.

- g. Neither of GM or SCMPI will: (i) challenge the validity, enforceability or effectiveness of any of the Security or this Agreement; or (ii) participate in or cooperate with any other person to pursue any such action, suit or proceeding, it being understood and agreed that, regardless of the validity, perfection, enforceability or effectiveness of any of the Security, or the validity, enforceability or effectiveness of this Agreement, GM and SCMPI shall, as between them, have the relative priorities in respect of the NMPC Indebtedness as specified in this Agreement. In addition to the rights and obligations of GM and SCMPI set forth herein, in the event that in any Insolvency Proceedings (as defined below) or other proceeding a determination is made that any of the Security or Indebtedness is not enforceable for any reason, if either of GM or SCMPI receives any distribution or recovery with respect to, or allocable to, NMPC's assets or the Proceeds of Realization that is not in accordance with the terms of this Agreement, such distribution or recovery shall be segregated and held in trust and forthwith delivered or paid over to the Party entitled to such distribution or recovery under the terms of this Agreement. All Proceeds of Realization which are received by either of GM or SCMPI contrary to the

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provisions of this Agreement shall be segregated and held in trust and forthwith delivered or paid over to the Party entitled to such Proceeds of Realization under the terms of this Agreement.

- h. GM irrevocably and unconditionally waives and releases any interest and entitlement to, or in respect of, the Limited Recourse Guarantee in the principal amount of \$800,000 dated May 22, 2008, from SCMPI in favour of CIBC with respect to the obligations of NMPC and Court Valve Company Inc. (the "Limited Recourse Guarantee") and agrees it shall have no right or entitlement whatsoever to the Limited Recourse Guarantee or the \$800,000 cash collateral on deposit with CIBC in respect of the Limited Recourse Guarantee.
- i. The provisions of this Section 3 shall survive the end of the Receivership Term or the termination of this Agreement until the NMPC Indebtedness has been paid in full.

4. Accounts Receivable and Inventory:

- a. One-hundred percent (100%) of the proceeds of NMPC's accounts receivable existing as of the date of this Agreement shall be paid to GM or SCMPI in accordance with the priorities specified in Section 3.a as such accounts receivable are collected by the Receiver.
- b. Seventy percent (70%) of NMPC's accounts receivable arising after the date of this Agreement and relating to existing inventory of NMPC as of the date of this Agreement (the "Existing Inventory") shall be paid to GM or SCMPI in accordance with the priorities specified in Section 3.a as such accounts receivable are collected by the Receiver.
- c. Thirty percent (30%) of NMPC's accounts receivable arising after the date of this Agreement and relating to the Existing Inventory shall be used to fund the operation of NMPC's business during the Receivership Term and to pay the amounts specified in Section 5.a(c). For certainty, the amount of any price increases or surcharges paid during the Receivership Term by other customers will not be deemed to be payments made in respect of Existing Inventory provided that the prices paid by such customers for finished goods manufactured from the Existing Inventory, net of any such increase or surcharge, are the same as the prices currently paid by such customers for finished goods.
- d. Any raw material or purchased components inventory acquired by the Receiver using funding provided by GM after the appointment of the Receiver (the "New Inventory") shall be segregated from the Existing Inventory. Notwithstanding any other provision of this Agreement, all accounts receivable of NMPC collected by the Receiver relating to the New Inventory shall be paid to GM as such accounts receivable are collected by the Receiver to satisfy amounts owing to GM in respect of the GM Debt or the Receivership Loans, as GM elects.

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5. Working Capital Enhancements:

- a. All accounts payable owing by GM to NMPC shall be paid without any setoff, deduction or recoupment of any kind other than Allowed Setoffs. For purposes of this Agreement, the term "Allowed Setoffs" means: (a) setoffs, recoupments or deductions for defective or nonconforming products, quality problems, unordered or unreleased parts returned to NMPC, short shipments, misshipments, premium freight charges (not caused by GM), improper invoices, mispricing, duplicate payments or billing errors but not special or consequential damages caused by any of the foregoing; (b) materials or components purchased by GM to be used in connection with GM's production; and (c) \$75,000 against the accounts receivable specified in Section 4.c, plus up to \$75,000 per month during the Receivership Term against the accounts receivable specified in Section 4.c. Any professional fees and costs in excess of \$75,000 per month may be carried forward to subsequent months provided the aggregate amount of each monthly setoff does not exceed \$75,000 per month.
- b. Immediately prior to the end of the Receivership Term, GM shall purchase all non-service parts finished goods, raw materials and work in process inventory provided such inventory is Merchantable and Usable (as such terms are defined below).
- c. On January 31, 2008, GM shall purchase all Merchantable and Usable service parts finished goods existing as of the date of this Agreement, provided such service parts finished goods are packaged appropriately for long term storage using special processes to preserve the quality of the parts.
- d. "Usable": (i) in respect of raw materials and work in process means inventory that a successor supplier of the component parts, acting reasonably, is able to use in the production of parts for GM that replace the component parts currently produced by NMPC for GM; (ii) in respect of service parts finished goods means at least the quantities of such service parts finished goods set forth on Schedule "A" hereto it being understood that the Parties will use best efforts to resolve the current ambiguity regarding the quantity of service parts finished goods required by GM; and (iii) in respect of finished goods other than service parts, in quantities not to be less than GM's requirements for the one-hundred and twenty (120) day period following the end of the Receivership Term.
- e. "Merchantable" means (i) of fair and average quality and (ii) fit for the ordinary purposes for which such goods are normally used by NMPC (in the case of raw materials and work in process) or GM (in the case of finished goods) and in the case of finished goods, meeting the underlying purchase order specifications for such finished goods.
- f. Provided NMPC has Acceptable Raw Materials and Purchased Components (as defined below) on hand as of the date of this Agreement having a book value of at least \$5,000,000, GM guarantees that the Existing Inventory accounts receivable

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shall result in \$4,000,000 being paid to SCMPI and GM pursuant to Section 4.b and in accordance with the priorities specified in Section 3.a.

- g. **"Acceptable Raw Materials and Purchased Components"** means raw materials and purchased components (including purchased blanks) that can be used and/or processed into finished goods at NMPC's regular capacity level during the period that begins on the date of this Agreement and ends nine (9) months thereafter. For greater certainty, to be considered Acceptable Raw Materials and Purchased Components, the inventory in question must be of the composition, quality and size currently used by NMPC to produce finished component parts for its customers and the applicable customers must have requirements for the available quantities of finished goods that can be manufactured from such inventory during the period that begins on the date of this Agreement and ends nine (9) months thereafter.
6. **Receivership:** NMPC and SCMPI will not oppose GM seeking an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") appointing a receiver (the "Receiver") in respect of NMPC's business and assets (the "Receivership") on or before December 17, 2008. The Receivership Order shall (as practicable) reflect the terms of this Agreement and shall (subject to approval of the Court) be in form and substance reasonably acceptable to GM and NMPC. NMPC agrees to not oppose Ziefman Partners Inc. as Receiver.
7. **KERP:** Upon the appointment of the Receiver, GM shall fund \$298,500 (the "KERP Amount") to the Receiver in respect of a key employee retention plan for Kelvin Lynch and certain other current employees of NMPC (each a "KERP Employee"). Each KERP Employee shall be entitled to a proportion of the KERP Amount as specified on Schedule "B" hereto (each, an "Individual KERP Amount"). The KERP Amount shall be held in escrow by the Receiver. The Individual KERP Amount pertaining to a particular KERP Employee shall be released to such KERP Employee if: (i) such KERP Employee dedicates his or her full-time efforts as directed by the Receiver until the earlier of (x) the end of the Receivership Term, and (y) March 31, 2009; (ii) such KERP Employee's employment or consulting agreement (as the case may be) is terminated by the Receiver without cause; or (iii) such KERP Employee is not employed or engaged by the Receiver on terms substantially similar to the terms of his or her present employment with NMPC. Any Individual KERP Amount payable to a KERP Employee under this Section 7 shall be payable on the date such KERP Employee becomes entitled to his or her Individual KERP Amount and, in any event, no later than March 31, 2009. An Individual KERP Amount pertaining to a particular KERP Employee shall be released from escrow to GM in the event that: (i) such KERP Employee's employment or consulting agreement (as the case may be) is terminated by the Receiver with cause prior to March 31, 2009; or (ii) such KERP Employee quits, resigns or otherwise chooses to leave his employment or engagement with the Receiver or NMPC prior to March 31, 2009.
8. **Tooling and Equipment:** With the exception of its security interests in such assets, which shall be subject to the priorities set forth in Section 3 above, GM acknowledges and agrees that GM does not own or have any rights in respect of any tooling, machinery,

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equipment, tools, jigs, dies, gauges, fixtures, moulds or patterns owned by, or in the possession of, NMPC (collectively, the "NMPC Equipment").

9. **Mutual Release:** Except for the rights expressly arising out of, provided for, or reserved in this Agreement, and subject to GM's and NMPC's satisfaction of their respective obligations and commitments under this Agreement and payments due hereunder, GM and NMPC, on behalf of themselves and each of their respective parent, affiliated or subsidiary entities, whether direct or indirect, and each of their predecessors, successors, legal representatives and assigns, and all past and present directors, officers, shareholders, managers, members, trustees, principals, fiduciaries, heirs, employees, attorneys, and agents of any of them in both their personal and corporate capacities, shall be deemed to have fully, finally, generally and unconditionally released and forever discharged each other, and their respective parent, affiliated, subsidiary, whether direct or indirect, and each of their predecessors, successors, legal representatives and assigns, and all past and present directors, officers, shareholders, managers, members, trustees, principals, fiduciaries, heirs, employees, attorneys, and agents of any of them in both their personal and corporate capacities, from any and all manner of claims, actions, causes of action, cross-claims, third party claims, suits, proceedings, executions, judgements, duties, debts, accounts, set-off, recoupment, deductions and demands (collectively, "Claims"), whether at law or in equity, related to the business relationship between GM and NMPC. Provided, however, (a) the foregoing release shall not release NMPC of its production obligations to GM under any existing purchase orders, and (b) GM and NMPC will retain the right to use any Claims for defensive and setoff purposes against any claims (other than claims and obligations arising under this Agreement) that are asserted against GM or NMPC by any successor to GM or NMPC or any of GM's or NMPC's rights or assets, including any trustee, receiver, debtor in possession, creditors' committee, purchaser, or other similar person or entity. This Section 9 shall survive the fulfillment of the Parties' respective obligations under this Agreement permanently.
10. **Actions Pending Appointment of Receiver:** Pending appointment of the Receiver, NMPC will take all necessary action to commence so-called blanking operations to replace blanks produced by Shanghai Bao Court Powertrain Industries Ltd., including in connection with production for Shanghai GM.
11. **General Terms:**

- a. This Agreement constitutes the entire understanding of the Parties in connection with the subject matter of this Agreement and supersedes all prior understandings or agreements (whether verbal or written) concerning the matters outlined herein including, without limitation, a postponement and subordination agreement among the Parties dated October 23, 2008, a postponement and subordination agreement among CIBC, SCMPI and NMPC dated December 21, 2007, an assignment of insurance from NMPC in favour of CIBC dated June 16, 2008, and an assignment and postponement of claim from SCMPI in favour of CIBC dated April 29, 2005. This Agreement may not be amended or modified unless the amendments or modifications are in writing signed by the Parties.

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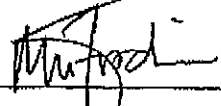
- b. The individuals executing this Agreement warrant that they have the power and authority to execute this Agreement on behalf of the Party that they represent and that their signatures bind such Party to the terms of this Agreement.
- c. No delay or failure by any Party to exercise any right, power 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.
- d. All dollar amounts stated in this agreement are in Canadian Dollars.
- e. This Agreement 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 shall constitute but one and the same document. The parties agree that their respective signatures may be delivered by facsimile or email attachment and that facsimile or scanned email attachment signatures shall be treated as originals for all purposes.
- f. This Agreement will be binding on, and will enure to the benefit of, the successors and assigns of all of the Parties. Nothing in this Agreement shall be construed as conferring any rights or benefits of any kind whatsoever on any person or entity which is not a party to this Agreement.
- g. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. Each of the Parties irrevocably submits to the jurisdiction of the courts of the Province of Ontario.
- h. The Parties acknowledge and agree that this Agreement shall remain in full force and effect between the parties notwithstanding (i) the commencement of any proceedings in respect of NMPC under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, or any other insolvency or winding-up legislation, or (ii) the appointment of a receiver or receiver-manager (including, without limitation, the Receiver) to take control of the business or assets (or any part thereof) of NMPC (collectively, the "Insolvency Proceedings").

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[Signature Page for Orderly Wind-Down Agreement dated December 22, 2008]

GENERAL MOTORS CORPORATION,  
(for itself and on behalf of its subsidiaries)

By:   
Title: Director, Supply Risk Mgt

NIAGARA MACHINE PRODUCTS CORPORATION

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

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

ST. CATHARINES MACHINE PRODUCTS INC.

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

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

[Signature Page for Orderly Wind-Down Agreement dated December 22, 2008]

**GENERAL MOTORS CORPORATION,  
(for itself and on behalf of its subsidiaries)**

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

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

**NIAGARA MACHINE PRODUCTS CORPORATION**

By: *Douglas Maggi*

Title: *DIRECTOR*

**ST. CATHARINES MACHINE PRODUCTS INC.**

By: *M. O. [Signature]*

Title: *President*



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**SCHEDULE "A"**  
**SERVICE PARTS SCHEDULE**  
**[TO BE ATTACHED]**

## Schedule 6

Part Number	Description	SPO FG Needed
8654581	PINANC	0
29536230	PLUGACCUM VLV	0
29537991	VALVE/TRNS FL	6
29541138	VALVEPRIM PRES	0
29541139	VALVETCC RLF	28
29541144	VALVETCC	10
29542711	VALVE/TRNS O/	0
29544654	VALVEPRESS REG	0
08661828	VALVEQUE SIG C	103
24234138	VALVETCC	170
24240009	PLUGACTR FEED	136
21000635	PIN-TRANSAXLE LOC	700
21001987	RING-TUBE SEAL	200
25652432	PLUG-FKR INR PNL RR	0
8642734	SLV-TRAN GOV	1890
8654581	PIN, 2-4 BAND ANCHOR	600
8661801	VALVE-3-4 SHFT Qty: 1	1080
24243477	VALVE- 3-4 SHIFT	1275
8661804	VALVE-2-3 SHFT Qty: 1	706
24243476	VALVE 2-3 SHIFT	1135
8661805	VALVE-1-2 SHFT Qty: 1	0
24243475	VALVE 1-2 SHIFT	0
8661807	VALVE, ACCUMULATOR	0
8661821	PLUG-SHFT VLV FLUID	0
24243478	PLUG-SHFT SOL.	0
8661822	PLUG-ACCUM VLV BORE	1800
24243479	PLUG-ACC VLV	0
8681458	VALVE-PRESS REG BOOST	309
8681459	VALVE PRIM ACCUM BOOS	225
8681460	VALVE PRIM ACCUM	47
8682419	2-3 ACC. VALVE BORE PLUG	2120
8682855	PLUG-PRESS REG VLV	17500
8683435	4-3 MAN. DOWNSHIFT VALV	2774
8683436	PLG-BORE	0
8684049	VALVE, PRESSURE	1600
8684051	BUSHING-PRESS REG BOO	135
8684822	VALVE, 2-3 ACCUM	80
24201387	SEAT-LOW-REV BALL VLV	0
24243480	PLUG- LO/REV CHECK	0
24202959	VALVE-ACCUM Qty: 1	0
24243473	VALVE- ACCUM	0
24203484	VALVE-MANUAL	4200

## Schedule 6

Part Number	Description	SPO FG Needed
24204945	TORQ SIG. REGULATOR	0
24209284	SHAFT ASM-O/PMP	0
24209982	VALVE-1/2 ACCUM	2089
24211142	VALVE, MANUAL	0
24214120	VALVE-1-2 SHIFT	0
24214121	VLV-2/3 SHIFT	0
24214124	valves	0
24214125	2 - 3 SHIFT VALVE	0
24214126	valves	766
24214127	valves	0
24214132	3 - 4 ACCUM VALVE OPT	0
24221613	VALVE, CLUTCH BOOST	0
24232106	TCC VALVE	3960
24233653	VALVE, REV BOOST HD	6720

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## SCHEDULE "B"

## KERP AMOUNTS

NAME	INDIVIDUAL KERP AMOUNT
Nick Lepalud	
Liz Stewart	
Dan Mitchell	
Ross Cameron	
Larry Mallabar	
Allison Douma	
Les King	
Bin Hao	
Ed Dam	
Hien Vo	
Joanne Hill	
Paul Marcov	
Cathy Mallabar	
Steve Glover	
Ken MacGregor	
Nino Ramunno	
Jeff Vriens	
Joe Thomas Sammon	
Kelvin Lynch	
<b>TOTAL</b>	<b>\$298,500</b>

5666731

December 19, 2008

Zeifman Partners Inc.  
1 Toronto Street  
P.O. Box 28, Suite 910  
Toronto, ON M5C 2V6  
Canada

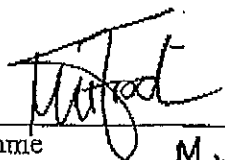
Attention: Allan Rutman  
President

Dear Sir:

Re: NIAGARA MACHINE PRODUCTS CORPORATION ("NMPC")

In the event that the Ontario Superior Court of Justice appoints Zeifman Partners Inc. as the Receiver and Manager of the property, assets and undertaking of NMPC upon the application of General Motors Corporation ("GM"), this letter is to confirm that GM hereby indemnifies and saves harmless Zeifman Partners Inc. of and from all damages, losses, costs and expenses Zeifman Partners Inc. may suffer or incur by virtue of that appointment and the fulfilment of its duties as Receiver and Manager of the property, assets and undertaking of NMPC save and except as may arise out of the negligence or wrongful conduct of Zeifman Partners Inc. Subject to and without limiting the foregoing, GM hereby guarantees payment of your reasonable fees and disbursements incurred in connection with such appointment subject to the taxation of your fees and disbursements by the Ontario Superior Court of Justice. We confirm that GM shall be entitled to attend upon any such taxation, lead evidence, cross-examine witnesses and make submissions with respect to your fees and disbursements.

GENERAL MOTORS CORPORATION

Per:   
Name  
Title M. W. FISCHER

## SCHEDULE "B"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Zeifman Partners Inc., the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Niagara Machine Products Corporation ("NMPC") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the \_\_\_ day of December, 2008 (the "Order") made in an action having Court File Number 08-CL-\_\_\_\_\_, has received as such Receiver from General Motors Corporation ("GM" or the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable in accordance with the priority ranking more particularly described in paragraph 3 of the Orderly Wind-Down Agreement dated December •, 2008 (the "Agreement") and shall bear interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in the priority set forth in paragraph 2 above is to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of GM in Michigan. .

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED at Toronto this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**Zeifman Partners Inc.**, solely in its capacity as the Receiver of the Property (as defined in the Order), and not in its personal capacity

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

Name: Allan Rutman

Title: President

**GENERAL MOTORS CORPORATION**  
Applicant

-and -

**NIAGARA MACHINE PRODUCTS CORPORATION**  
Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER**

**ThorntonGroutFinnigan LLP**  
Barrister and Solicitors  
Canadian Pacific Tower  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7

**JAMES H. GROUT (LSUC #22741H 1B)**  
**RACHELLE F. MONCUR (LSUC #45474D)**  
**KIM G. FERREIRA (LSUC #51020L)**  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for the Applicant