

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
: :
MOTORS LIQUIDATION COMPANY, *et al.*, : 09-50026 (REG)
f/k/a General Motors Corp., *et al.* : :
: :
Debtors. : (Jointly Administered)
: :
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ORDER PURSUANT TO
11 U.S.C. §§ 105(a) AND 363 IN AID OF IMPLEMENTATION OF SALE

Upon the Motion, dated February 5, 2010 (the “**Motion**”),¹ of Motors Liquidation Company (f/k/a General Motors Corporation) (“**MLC**”) and its affiliated debtors, as debtors in possession (collectively, the “**Debtors**”), for an entry of an order, pursuant to sections 105(a) and 363 of title 11, United States Code (the “**Bankruptcy Code**”), (i) approving and ratifying that certain stipulation of settlement (the “**Stipulation of Settlement**”) between the Debtors and General Motors, LLC (f/k/a NGMCO, Inc.) (“**New GM**,” and collectively with the Debtors, the “**Parties**”) resolving certain ambiguities regarding what constitutes “Purchased Assets” under the terms of that certain Master Sale and Purchase Agreement By and Among General Motors Corporation, Saturn LLC, Saturn Distribution Corporation and Chevrolet Saturn of Harlem, as Sellers, and NGMCO, Inc. (n/k/a General Motors, LLC) as Purchaser (the “**MSPA**”), and (ii) authorizing the Debtors to enter into similar future settlements with New GM for further clarification of the use of the term “Purchased Assets” under the MSPA, upon the consent of the

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

statutory committee of unsecured creditors appointed in these chapter 11 cases (the “**Creditors’ Committee**”) without seeking the approval of this Court, all as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as provided herein; and it is further

ORDERED that the Debtors are authorized to enter the Stipulation of Settlement, and the Stipulation of Settlement is hereby approved in all respects; and it is further

ORDERED that the Debtors are authorized to enter into future settlements with New GM with respect to similar disputes under the MSPA, without further Court approval, provided that (i) the Debtors obtain the prior written consent of the Creditors’ Committee and the United States of America, and (ii) the Debtors provide at least five (5) business days’ electronic notice of such settlement to the St. Regis Mohawk Tribe, the states of New York, Missouri, New Jersey, Michigan, North Carolina, Ohio and Wisconsin, the California Department of Toxic Substances, the Commonwealth of Massachusetts, and the Commonwealth of Pennsylvania, and (a) if no objection is received during that five (5) business day period, the Debtors may proceed to enter into such settlement pursuant to the procedures set forth herein or (b) if an objection is received during the five (5) business day period, the Debtors will seek to resolve such objection consensually or seek Court approval of such settlement; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
March 5, 2010

s/ Robert E. Gerber
United States Bankruptcy Judge

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**STIPULATION OF SETTLEMENT REGARDING
MASTER SALE AND PURCHASE AGREEMENT**

This stipulation of settlement (the “**Stipulation of Settlement**”) is entered into by Motors Liquidation Company (f/k/a General Motors Corporation) (“**MLC**”) and its affiliated debtors, as debtors in possession (collectively, the “**Debtors**”) and General Motors, LLC (f/k/a NGMCO, Inc.) (“**New GM**” and together with the Debtors, the “**Parties**”), for the purpose of resolving certain disputes between the Parties and ambiguities arising under that certain Master Sale and Purchase Agreement, by and among MLC, Saturn LLC, Saturn Distribution Corporation and Chevrolet Saturn of Harlem, as Sellers, and New GM as Purchaser, dated as of June 26, 2009 (the “**MSPA**”).

RECITALS

WHEREAS, on June 26, 2009 the Parties entered into the MSPA and on July 10, 2009, the Debtors consummated the sale of substantially all of their assets pursuant thereto (the “**Sale**”); and

WHEREAS certain issues arose under the MSPA regarding whether specific assets constitute Purchased Assets¹ now owned by New GM or Retained Assets owned by the Debtors.

WHEREAS in order to avoid the costs and uncertainties attendant to the litigation of these issues, the Parties seek to resolve certain disputes (the “**Disputes**”) arising under the MSPA on the terms and conditions set forth herein; and

NOW, THEREFORE, IT IS STIPULATED AND AGREED by and between the Parties that:

AGREEMENT

1. **Performance Undertakings.** Annexed hereto on Schedule I is a schedule of performance bonds, sureties, permit bonds, and cash collateralized letters of credit securing the Debtors’ performance (collectively, the “**Performance Undertakings**”). The Performance Undertakings and all Restricted Cash held in connection with respect thereto will constitute Excluded Assets under the MSPA.

2. **Appeal Bonds.** Annexed hereto as Schedule II is a schedule of appeal bonds posted by the Debtors in connection with appeals prosecuted by the Debtors (collectively, the “**Appeal Bonds**”). As stated in the MSPA, the Appeal Bonds shall constitute Purchased Assets. The Debtors shall take all reasonable direction from New GM in connection with the prosecution of any appeal that is the subject of an Appeal Bond. New GM agrees to reimburse the Debtors for all direct and indirect costs associated with the prosecution of the subject appeals. To the extent an appeal results in a liability in excess of its related Appeal Bond, such liability shall constitute a Retained Liability under the MSPA.

¹ Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the MSPA.

3. Workers' Compensation Cash Collateral. To the extent the Debtors are entitled to any funds from the states listed on Schedule III attached hereto from the proceeds of sureties posted by the Debtors, such proceeds shall constitute Excluded Assets. As set forth in the MSPA, all liability in those states relating to self-insured workers' compensation plans shall constitute Retained Liabilities.

4. Breakage Fees. Annexed hereto as Schedule IV is a schedule of amounts estimated to be available for release from such funds escrowed with the administrative agent for certain Debtors' prepetition secured lenders to compensate such lenders for potential breakage costs associated with termination of the Amended and Restated Credit Agreement dated as of July 20, 2006 on a day that was not the last day of an Interest Period (collectively, the "**Breakage Fee Escrow**"). The Breakage Fee Escrow shall constitute Purchased Assets. New GM shall be responsible for any amounts due to the lenders, if any, for breakage fees should they exceed the Breakage Fee Escrow.

5. Insurance Policies. The MSPA shall be amended to provide that all pre-1986 excess liability insurance policies will constitute Excluded Assets.

6. Royal Settlement Agreement. In connection with the settlement agreement between the Debtors and Arrowood Indemnity Company (f/k/a Royal Indemnity Company), Arrowpoint Capital Corp., Arrowpoint Group, Inc. (f/k/a Royal Group, Inc.), Royal & Sun Alliance Insurance plc and RSA Insurance Group plc (f/k/a Royal & Sun Alliance Insurance Group plc) (collectively, "**Royal**"), dated July 16, 2008 (the "**Royal Settlement Agreement**"), Royal is holding proceeds of a letter of credit in the amount of \$14,500,000.00 as collateral for the payment of claims as provided in the Royal Settlement Agreement. To the extent the

Debtors are entitled to a return of funds from Royal under the Royal Settlement Agreement, such funds shall constitute an Excluded Asset.

7. Micro-Heat. Any recovery resulting from the Debtors' proof of claim filed in the chapter 11 case of Micro-Heat, Inc. [Claim No. 67] in the amount of \$21,109,539.90 shall constitute an Excluded Asset.

8. Brethauer Litigation. Any recovery resulting from the Brethauer Litigation (as defined in the Motion), including, without limitation, the judgment in favor of MLC in the amount of \$242,028.72 plus interest shall constitute an Excluded Asset.

9. This Stipulation is subject in all respects to approval by the Bankruptcy Court. Upon such approval, this Stipulation and Settlement shall be binding upon the Parties, and may not be changed, altered or modified except in writing, signed by the Parties or their duly authorized attorneys and approved by the Bankruptcy Court.

10. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Stipulation of Settlement.

[Signature Page Follows]

Stipulated and Agreed:

MOTORS LIQUIDATION COMPANY

By: /s/ Thomas A. Morrow
Name: Thomas A. Morrow
Title: Vice President

GENERAL MOTORS, LLC

By: /s/ Lawrence S. Buonomo
Name: Lawrence S. Buonomo
Title: Attorney-In-Fact

Schedule I

Performance Undertakings

Description and Type of Performance Undertaking	Issuer and Bond No.	Date of Issuance	Face Amount at Petition Date	Status/Amounts Drawn
Closure bond - Cadillac/Luxury Car Engineering and Manufacturing Division: Pontiac Fiero Assembly - 900 Baldwin Ave. Pontiac, MI 48340	ACE-USA/Westchester Fire Insurance Company - K07489158	10/24/2008	\$159,004.00	In Force, no amounts drawn
Closure bond - Cadillac/Luxury Car Engineering and Manufacturing Division: Pontiac - 220 East Columbia Ave., Pontiac, MI 48340	ACE-USA/Westchester Fire Insurance Company - K0748916A	10/24/2008	\$126,578.00	In Force, no amounts drawn
Post Closure bond - Cadillac/Luxury Car Engineering and Manufacturing Division: Flint Operations - 902 E. Leith St., Flint, MI 48550	ACE-USA/Westchester Fire Insurance Company - K07489171	10/24/2008	\$3,372,759.00	In Force, no amounts drawn
Post Closure - GM Foundry Landfill - Danville, IL	ACE-USA/Westchester Fire Insurance Company - K07489195	10/24/2008	\$102,390.00	In Force, no amounts drawn
Post Closure bond - Worldwide Facilities Group-Coldwater Road - 1245 East Coldwater Road, Flint, MI 48505	ACE-USA/Westchester Fire Insurance Company - K07489225	10/24/2008	\$2,226,303.00	In Force, no amounts drawn
Outboard Marine Corporation Superfund Site - Waukegan, IL 60085	ACE-USA/Westchester Fire Insurance Company - K07489286	10/30/2008	\$10,500,000.00	In Force, no amounts drawn
Closure Bond - 68th Street Dump Superfund Site - City of Baltimore and Near the Rosedale Area of Baltimore County 21237	ACE-USA/Westchester Fire Insurance Company - K07489778	7/31/2008	\$112,000.00	In Force, no amounts drawn
South Dayton Dump and Landfill, Moraine, OH - RI/FS prior to closure of site. Moraine, Ohio	ACE-USA/Westchester Fire Insurance Company - K07490045	9/14/2008	\$375,000.00	In Force, no amounts drawn
Closure Bond - Maryland	ACE-	10/30/2008	\$1,471,920.00	In Force, no amounts

sand, gravel and stone superfund site, Cecil County, MD	USA/Westchester Fire Insurance Company - K07593090			drawn
Post Closure - Willow Run Creek Area - Ypsilanti Township, MI	ACE-USA/Westchester Fire Insurance Company - K07593107	10/30/2008	\$600,000.00	In Force, no amounts drawn
Post Closure - Rooseveltown Hwy, St. Lawrence County, Massena, NY	ACE-USA/Westchester Fire Insurance Company - K07593119	10/30/2008	\$22,071,714.00	In Force, no amounts drawn
Post Closure bond - Cardington Road Landfill - 1855 Cardington Road, Moraine, OH 45409	ACE-USA/Westchester Fire Insurance Company - K07593314	11/3/2008	\$2,423,000.00	In Force, no amounts drawn
Kane and Lombard Superfund Site - Baltimore, Maryland	ACE-USA/Westchester Fire Insurance Company - K07593521	11/16/2008	\$2,448,334.00	In Force, no amounts drawn
Former General Motors Landfill RTN: 3-3939; 63 Western Avenue, Framingham, MA 01702 Engineered Barrier Monitoring and Maintenance	ACE-USA/Westchester Fire Insurance Company - K07593867	12/21/2008	\$786,944.00	In Force, no amounts drawn
H. Brown Company, Inc. Superfund Site - Walker, MI	ACE-USA/Westchester Fire Insurance Company - K07611043	3/30/2009	\$89,000.00	In Force, no amounts drawn
Hayford Bridge Road Groundwater, St. Charles, MO	ACE-USA/Westchester Fire Insurance Company - K07734086	9/10/2008	\$448,000.00	In Force, no amounts drawn
Pontiac Centerpoint Campus Site (sections 3 & 4 of Township T2N, Range R10E, Pontiac, Michigan - Corrective Action	ACE-USA/Westchester Fire Insurance Company - K07736757	1/4/2009	\$206,980.00	In Force, no amounts drawn
Post-Closure - EPA ID No. INR000021436 - Former Allison Gas Turbine, 2701 West Raymond Street, Indianapolis, IN 46013	ACE-USA/Westchester Fire Insurance Company - K08181974	05/23/2009	\$868,158.00	In Force, no amounts drawn
Corrective Action - EPA ID No. IND 980503825 - Former General Motors/Delphi Energy & Engine	ACE-USA/Westchester Fire Insurance Company -	05/23/2009	\$1,200,435.00	In Force, no amounts drawn

Management Systems, 2900 South Scatterfield Road, Anderson, IN	K08182012			
Closure - EPA ID No. IND980700801 - WFG Anderson, 2915 Dr. Martin Luther King Blvd., Anderson, IN 46016	ACE-USA/Westchester Fire Insurance Company - K0818205A	05/23/2009	\$377,752.00	In Force, no amounts drawn
Metamora Landfill Superfund Site, EPA ID # MID980506562 - 1636 Dryden Road, Town of Metamora, Lapeer County, MI 48455	ACE-USA/Westchester Fire Insurance Company - K08222587	3/24/2009	\$231,484.00	In Force, no amounts drawn
Corrective Action - Ford Road Industrial Landfill Superfund Site, Ford Road, City of Elyria, Lorain County, OH 44035	ACE-USA/Westchester Fire Insurance Company - K08222976	2/25/2009	\$589,322.00	In Force, no amounts drawn

Total: \$50,787,077.00

Permit Bonds	Issuer and Bond No.	Date of Issuance	Face Amount at Petition Date	Status/Amounts Drawn
Permit to complete the scope of work specified in the Charter Township of Lansing, Ingham County, Resolution PC08-01 Exhibit B	SAFECO INSURANCE COMPANY OF AMERICA - 285028240	2/25/2008	5,000,000.00 (reduced to 3,000,000.00 on 9/4/09)	In Force, no amounts drawn

Total: \$3,000,000.00

Description of Letter of Credit	Letter of Credit No.	Issuer	Face Amount at Petition Date	Status/Amounts Drawn
LETTER OF CREDIT FOR NJ DEPT. OF ENVIRONMENTAL PROTECTION. 1300 Raritan Road, Clark, NJ 07066	PG751177	THE CHASE MANHATTAN BANK, N.A.	\$12,500,000.00	In Force, no amounts drawn
LINDEN ROAD MI LANDFILL SITE. Flint Township, MI	GM/MDSTANBY Acct# 131365	BANK OF NEW YORK	\$90,543.58	In Force, no amounts drawn

Total: \$12,590,543.58

Type of Policy	Policy No.	Policy Period	Status/Amounts Drawn
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ALL STATES ¹ UST/AST state certificates	UST/AST 0907326	4/1/2009-4/1/2010	\$4,000,000.00 Policy in force, no amounts drawn.
ALL STATES POLLUTION	POLLUTION 0907325	4/1/2009-4/1/2010	\$8,000,000.00 Policy in force, no amounts drawn.
GM LOCOMOTIVE GROUP (RCRA) - 9301 West 55th Street, McCook, IL 60525	CLOSURE/POST CLOSURE 0907328	4/1/2009 - 4/1/2010	\$604,945.00 Policy in force, no amounts drawn
GM CORP. FORMER DELPHI CHASSIS DIVISION (RCRA), LIVONIA - 13000 Eckles Road, Livonia, MI 48150	CORRECTIVE ACTION 0907329	4/1/2009 - 4/1/2010	\$3,794,191.00 Policy in force, no amounts drawn
WORLDWIDE FACILITIES GROUP - TRENTON (RCRA) CLOSURE - 1445 Parkway Avenue, Trenton, NJ 08628	CLOSURE 0907330	4/1/2009 - 4/1/2010	\$293,500.00 Policy in force, no amounts drawn
WFG ELYRIA (RCRA) - POST CLOSURE - 1400 Lowell St., Elyria, OH 44035	CLOSURE/POST CLOSURE 0907327	4/1/2009 - 4/1/2010	\$3,042,497.00 Policy in force, no amounts drawn
WFG MORAIN FORMER HARRISON DAYTON (RCRA) - POST CLOSURE - 3600 Dryden Rd, Moraine, OH 45439	CLOSURE/POST CLOSURE 0907327	4/1/2009 - 4/1/2010	\$2,711,000.00 Policy in force, no amounts drawn

Total: \$22,446,133.00

¹ At various times during the prepetition period, MLC deposited collateral totaling \$12,000,000 (the “**Prepetition Collateral**”) to collateralize its obligations under the All States UST/AST and All States Pollution insurance programs. The All States UST/AST and All States Pollution insurance programs are Excluded Assets under the MSPA. The Prepetition Collateral was, however, Restricted Cash and a Purchased Asset under the MSPA, and ownership has been transferred to New GM. On or about July 23, 2009, MLC deposited \$12,000,000 to re-collateralize its obligations under the All States UST/AST and All States Pollution insurance programs (the “**Postpetition Collateral**”). The Postpetition Collateral remains the property of MLC. Unless specifically listed herein, nothing in this Stipulation affects the classification, distribution, or disposition of any Restricted Cash relating to any insurance contracts, policies, or programs as Retained Assets or Purchased Assets under the MSPA.

Schedule II

Appeal Bonds

Description of Appeal	Issuer/Bond No.	Date of Issuance	Face Amount at Petition Date
Suspensive Appeal - IVY JEAN WILLIAMS, ET AL.	MOTORS INSURANCE CORPORATION - M2020970-B	11/11/2008	\$5,250,000.00
Appeal - Case no. MVRB 79-01, 80-01, 81-01,82-01, 83-01, 84-01, and 85-01 - North Shore, Inc. d/b/a Muller Pontiac/GMC Mazda, Grossinger Autoplex, Inc., Joe Mitchell Buick/GMC Truck Inc., Castle Buick-Pontiac, Inc. and Loren Buick, Inc.	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA - 105104139	4/15/2009	\$1,300,000.00
Tax Appeal - Case No.363 F.R. 2008 - Tax Year Ending 12/31/04	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA - 105235531	2/17/2009	\$2,310,000.00
Tax Appeal - Case No.695 F.R. 2008 - Tax Year Ending 12/31/05	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA - 105235532	2/17/2009	\$478,500.00

Total \$9,338,500.00

Schedule III

Sureties for Self-Insured Workers Compensation

Georgia

Issuer	Date of Issuance	Amount Outstanding/Draws
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA – Bond No. 104203286	12/19/2008	Issued in the amount of \$16,355,000.00; drawn in full July, 2009

Total: \$16,355,000.00

New Jersey

Issuer	Date of Issuance	Amount Outstanding/Draws
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA – Bond No. 104699317	5/5/2009	Issued in the amount of \$9,000,000.00; drawn in full July, 2009
SAFECO – Bond No. 6571113	5/20/2009	Issued in the amount of \$50,000.00; In Force, no amounts drawn

Total: \$9,050,000.00

Oklahoma

Issuer	Date of Issuance	Amount Outstanding/Draws
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA – Bond No. '104699292	4/14/2009	Issued in the amount of \$8,400,000.00; drawn in full July, 2009

Total: \$8,400,000.00

Schedule IV

Breakage Fees

Bank	Account Number	Escrowed Amount
Citibank ¹	4630000-023	\$4,885,547.59

¹ Held on behalf of numerous lenders.