

**DOCUMENTS REGARDING COUNTER
DESIGNATION OF RECORD ON APPEAL NOT
PREVIOUSLY FILED BUT SUBMITTED TO
CHAMBERS IN CONNECTION WITH TRIAL**

(New GM Trial Exhibits 1-17)

EXHIBIT 1

Section 1.1D

Knowledge of Sellers

1. Walter G. Borst
2. Lawrence S. Buonomo
3. Troy A. Clarke
4. Nicholas S. Cyprus
5. Joseph H. DaMour
6. Maureen Kempston Darkes
7. Carl-Peter Foster
8. Frederick A. Henderson
9. Gregory E. Lau
10. Robert S. Osborne
11. David N. Reilly
12. Ray G. Young

EXHIBIT 2

EXECUTION COPY

MASTER SALE AND PURCHASE AGREEMENT

BY AND AMONG

GENERAL MOTORS CORPORATION,

SATURN LLC,

SATURN DISTRIBUTION CORPORATION

AND

CHEVROLET-SATURN OF HARLEM, INC.,

as Sellers

AND

VEHICLE ACQUISITION HOLDINGS LLC,

as Purchaser

DATED AS OF

JUNE 1, 2009

(xvi) those assets identified on Section 2.2(b)(xvi) of the Sellers' Disclosure Schedule.

Section 2.3 Assumed and Retained Liabilities.

(a) The "Assumed Liabilities" shall consist only of the following Liabilities of Sellers:

(i) \$6,711,864,407 of Indebtedness incurred under the DIP Facility, to be restructured pursuant to the terms of Section 6.9 (the "Purchaser Assumed Debt");

(ii) all Liabilities under each Purchased Contract;

(iii) all Intercompany Obligations owed or due, directly or indirectly, to any Purchased Subsidiary or any joint venture or other entity in which a Purchased Subsidiary has any Equity Interest (other than an Excluded Entity) by Sellers;

(iv) all Cure Amounts under each Assumable Executory Contract that becomes a Purchased Contract;

(v) all Liabilities of Sellers (A) arising in the Ordinary Course of Business during the Bankruptcy Case through and including the Closing Date, to the extent such Liabilities are administrative expenses of Sellers' estates pursuant to Section 503(b) of the Bankruptcy Code and (B) arising prior to the commencement of the Bankruptcy Cases to the extent approved by the Bankruptcy Court for payment by Sellers pursuant to a Final Order, in each case, other than (1) Liabilities of the type described in Section 2.3(b)(iv), Section 2.3(b)(vi) and Section 2.3(b)(ix), (2) Liabilities arising under any dealer sales and service Contract and any Contract related thereto, to the extent such Contract has been designated as a Rejectable Executory Contract, and (3) Liabilities otherwise assumed in this Section 2.3(a);

(vi) all Transfer Taxes payable in connection with the sale, transfer, assignment, conveyance and delivery of the Purchased Assets pursuant to the terms of this Agreement;

(vii) (A) all Liabilities arising under express written emission and limited new vehicle warranties, certified used vehicle warranties and pre-owned vehicle warranties delivered in connection with the sale of new, certified used or pre-owned vehicles manufactured or sold by Sellers or Purchaser prior to or after the Closing and (B) all Liabilities arising under express written emission and limited warranties and warranties with respect to new or remanufactured motor vehicle parts and equipment (including service parts, accessories, engines and transmissions), manufactured or sold by Sellers or Purchaser;

(viii) all Liabilities arising under any Environmental Law (A) relating to conditions present on the Transferred Real Property, other than those Liabilities described in Section 2.3(b)(iv), (B) resulting from Purchaser's ownership or operation of the Transferred Real Property after the Closing or (C) relating to Purchaser's failure to comply with Environmental Laws after the Closing;

(ix) all Liabilities (including Liabilities for negligence, strict liability, design defect, manufacturing defect, failure to warn or breach of the express or implied warranties of merchantability or fitness for a particular purpose) to third parties for death, personal injury, other injury to Persons or damage to property (collectively, "Product Liabilities"), in each case, arising out of products delivered to a consumer, lessee or other purchaser of products at or after the Closing;

(x) all Liabilities of Sellers arising out of, relating to, in respect of, or in connection with workers' compensation claims against any Seller, except for Retained Workers' Compensation Claims;

(xi) all Liabilities arising out of, relating to, in respect of, or in connection with the use, ownership or sale of the Purchased Assets after the Closing;

(xii) all Liabilities (A) specifically assumed by Purchaser pursuant to Section 6.17 and (B) arising out of, relating to or in connection with the salaries and/or wages and vacation of all Transferred Employees that are accrued and unpaid (or with respect to vacation, unused) as of the Closing Date;

(xiii) (A) all Employment-Related Obligations and (B) Liabilities under any Assumed Plan, in each case, relating to any Employee that is or was covered by the UAW Collective Bargaining Agreement, except for Retained Workers Compensation Claims; and

(xiv) those other Liabilities identified on Section 2.3(a)(xiv) of the Sellers' Disclosure Schedule.

(b) Each Seller acknowledges and agrees that pursuant to the terms and provisions of this Agreement, Purchaser shall not assume, or become liable to pay, perform or discharge, any Liability of any Seller, whether occurring or accruing before, at or after the Closing, other than the Assumed Liabilities. In furtherance and not in limitation of the foregoing, and in all cases with the exception of the Assumed Liabilities, neither Purchaser nor any of its Affiliates shall assume, or be deemed to have assumed, any Indebtedness, Claim or other Liability of any Seller or any predecessor, Subsidiary or Affiliate of any Seller whatsoever, whether occurring or accruing before, at or after the Closing, including the following (collectively, the "Retained Liabilities"):

(i) all Liabilities arising out of, relating to, in respect of or in connection with any Indebtedness of Sellers (other than Intercompany Obligations and the Purchaser Assumed Debt), including those items identified on Section 2.3(b)(i) of the Sellers' Disclosure Schedule;

(ii) all Intercompany Obligations owed or due, directly or indirectly, by Sellers to (A) another Seller, (B) any Excluded Subsidiary or (C) any joint venture or other entity in which an Excluded Subsidiary has an Equity Interest, other than a Transferred Entity;

(iii) all Liabilities arising out of, relating to, in respect of or in connection with the Excluded Assets, other than Liabilities otherwise retained in this **Section 2.3(b)**;

(iv) all Liabilities (A) associated with noncompliance with Environmental Laws (including for fines, penalties, damages and remedies); (B) arising out of, relating to, in respect of or in connection with the transportation, off-site storage or off-site disposal of any Hazardous Materials generated or located at any Transferred Real Property; (C) arising out of, relating to, in respect of or in connection with third-party Claims related to Hazardous Materials that were or are located at or that migrated or may migrate from any Transferred Real Property; (D) arising under Environmental Laws related to the Excluded Real Property; or (E) for environmental Liabilities with respect to real property formerly owned, operated or leased by Sellers (as of the Closing), which, in the case of clauses (A), (B) and (C), arose prior to or at the Closing, and which, in the case of clause (D) and (E), arise prior to, at or after the Closing;

(v) except for Taxes assumed in **Section 2.3(a)(v)** and **Section 2.3(a)(vi)**, all Liabilities with respect to any (A) Taxes arising in connection with Sellers' business, the Purchased Assets or the Assumed Liabilities and that are attributable to a Pre-Closing Tax Period (including any Taxes incurred in connection with the sale of the Purchased Assets, other than all Transfer Taxes), (B) other Taxes of any Seller and (C) Taxes of any Seller Group, including any Liability of any Seller or any Seller Group member for Taxes arising as a result of being or ceasing to be a member of any Seller Group;

(vi) all Liabilities for (A) costs and expenses relating to the preparation, negotiation and entry into this Agreement and the Ancillary Agreements (and the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, which, for the avoidance of doubt, shall not include any Transfer Taxes), including Advisory Fees, (B) administrative fees, professional fees and all other expenses under the Bankruptcy Code and (C) all other fees and expenses associated with the administration of the Bankruptcy Cases;

(vii) all Employment-Related Obligations not otherwise assumed in **Section 2.3(a)** and **Section 6.17**, including those arising out of, relating to, in respect of or in connection with the employment, potential employment or termination of employment of any individual (other than any Employee that is or was covered by the UAW Collective Bargaining Agreement) (A) prior to or at the Closing (including any severance policy, plan or program that exists or arises, or may be deemed to exist or arise, as a result of, or in connection with, the

transactions contemplated by this Agreement) or (B) who is not a Transferred Employee arising after the Closing and with respect to both clauses (A) and (B) above, including any Liability arising out of, relating to, in respect of or in connection with any Collective Bargaining Agreement (other than the UAW Collective Bargaining Agreement);

(viii) all Liabilities arising out of, relating to, in respect of or in connection with Claims for infringement or misappropriation of third party intellectual property rights;

(ix) all Product Liabilities arising out of products delivered to a consumer, lessee or other purchaser of products prior to the Closing;

(x) all Liabilities to third parties for death, personal injury, other injury to Persons or damage to property, in each case, arising out of asbestos exposure;

(xi) all Liabilities to third parties for Claims based upon Contract, tort or any other basis;

(xii) all workers' compensation Claims set forth on Exhibit G and such additional workers' compensation Claims set forth on Section 2.3(b)(xii) of the Sellers' Disclosure Schedule ("Retained Workers' Compensation Claims");

(xiii) all Liabilities arising out of, relating to, in respect of or in connection with any Retained Plan;

(xiv) all Liabilities arising out of, relating to, in respect of or in connection with any Assumed Plan or Purchased Subsidiaries Employee Benefit Plan, but only to the extent such Liabilities result from the failure of such Assumed Plan or Purchased Subsidiaries Employee Benefit Plan to comply in all respects with TARP or such Liability related to any changes to or from the administration of such Assumed Plan or Purchased Subsidiaries Employee Benefit Plan prior to the Closing Date;

(xv) the Settlement Agreement, except as provided with respect to Liabilities under Section 5A of the UAW Retiree Settlement Agreement; and

(xvi) all Liabilities arising out of, related to or in connection with any (A) implied warranty or other implied obligation arising under statutory or common law without the necessity of an express warranty or (B) allegation, statement or writing by or attributable to Sellers.

Section 2.4 Non-Assignability.

(a) If any Contract, Transferred Equity Interest (or any interest therein), Permit or other asset, which by the terms of this Agreement, is intended to be included in the Purchased Assets is determined not capable of being assigned or transferred (whether pursuant to Sections 363 or 365 of the Bankruptcy Code) to Purchaser at the Closing

without the consent of another party thereto, the issuer thereof or any third party (including a Governmental Authority) ("Non-Assignable Assets"), this Agreement shall not constitute an assignment thereof, or an attempted assignment thereof, unless and until any such consent is obtained. Subject to **Section 6.3**, Sellers shall use reasonable best efforts, and Purchaser shall use reasonable best efforts to cooperate with Sellers, to obtain the consents necessary to assign to Purchaser the Non-Assignable Assets before, at or after the Closing; provided, however, that neither Sellers nor Purchaser shall be required to make any expenditure, incur any Liability, agree to any modification to any Contract or forego or alter any rights in connection with such efforts.

(b) To the extent that the consents referred to in **Section 2.4(a)** are not obtained by Sellers, except as otherwise provided in the Ancillary Documents to which one or more Sellers is a party, Sellers' sole responsibility with respect to such Non-Assignable Assets shall be to use reasonable best efforts, at no cost to Sellers, to (i) provide to Purchaser the benefits of any Non-Assignable Assets; (ii) cooperate in any reasonable and lawful arrangement designed to provide the benefits of any Non-Assignable Assets to Purchaser without incurring any financial obligation to Purchaser; and (iii) enforce for the account of Purchaser and at the cost of Purchaser any rights of Sellers arising from any Non-Assignable Asset against such party or parties thereto; provided, however, that any such efforts described in clauses (i) through (iii) above shall be made only with the consent, and at the direction, of Purchaser. Without limiting the generality of the foregoing, with respect to any Non-Assignable Asset that is a Contract of Leased Real Property for which a consent is not obtained on or prior to the Closing Date, Purchaser shall enter into a sublease containing the same terms and conditions as such lease (unless such lease by its terms prohibits such subleasing arrangement), and entry into and compliance with such sublease shall satisfy the obligations of the Parties under this **Section 2.4(b)** until such consent is obtained.

(c) If Purchaser is provided the benefits of any Non-Assignable Asset pursuant to **Section 2.4(b)**, Purchaser shall perform, on behalf of the applicable Seller, for the benefit of the issuer thereof or the other party or parties thereto, the obligations (including payment obligations) of the applicable Seller thereunder or in connection therewith arising from and after the Closing Date and if Purchaser fails to perform to the extent required herein, Sellers, without waiving any rights or remedies that they may have under this Agreement or applicable Laws, may (i) suspend their performance under **Section 2.4(b)** in respect of the Non-Assignable Asset that is the subject of such failure to perform unless and until such situation is remedied, or (ii) perform at Purchaser's sole cost and expense, in which case, Purchaser shall reimburse Sellers' costs and expenses of such performance immediately upon receipt of an invoice therefor. To the extent that Purchaser is provided the benefits of any Non-Assignable Asset pursuant to **Section 2.4(b)**, Purchaser shall indemnify, defend and hold Sellers harmless from and against any and all Liabilities relating to such Non-Assignable Asset and arising from and after the Closing Date (other than such Damages that have resulted from the gross negligence or willful misconduct of Sellers).

(d) For the avoidance of doubt, the inability of any Contract, Transferred Equity Interest (or any other interest therein), Permit or other asset, which by the terms of

this Agreement is intended to be included in the Purchased Assets to be assigned or transferred to Purchaser at the Closing shall not (i) give rise to a basis for termination of this Agreement pursuant to **ARTICLE VIII** or (ii) give rise to any right to any adjustment to the Purchase Price.

ARTICLE III CLOSING; PURCHASE PRICE

Section 3.1 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on the date that falls at least three (3) Business Days following the satisfaction and/or waiver of all conditions to the Closing set forth in **ARTICLE VII** (other than any of such conditions that by its nature is to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or on such other date as the Parties mutually agree, at the offices of Jenner & Block LLP, 330 North Wabash Avenue, Chicago, Illinois 60611, or at such other place or such other date as the Parties may agree in writing. The date on which the Closing actually occurs shall be referred to as the "Closing Date," and except as otherwise expressly provided herein, the Closing shall for all purposes be deemed effective as of 9:00 a.m., New York City time, on the Closing Date.

Section 3.2 Purchase Price.

(a) The purchase price (the "Purchase Price") shall be equal to the sum of:

(i) a Bankruptcy Code Section 363(k) credit bid in an amount equal to: (A) the amount of Indebtedness of Parent and its Subsidiaries as of the Closing pursuant to the UST Credit Facilities, and (B) the amount of Indebtedness of Parent and its Subsidiaries as of the Closing under the DIP Facility, less (1) \$6,711,864,407 of Indebtedness under the DIP Facility, and (2) \$950,000,000 of Indebtedness under the DIP Facility (such amount, the "UST Credit Bid Amount");

(ii) the UST Warrant (which the Parties agree has a value of no less than \$1,000);

(iii) the valid issuance by Purchaser to Parent of 50,000,000 shares of Common Stock (collectively, the "Parent Shares") and the Parent Warrants; and

(iv) the assumption by Purchaser or its designated Subsidiaries of the Assumed Liabilities.

(b) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall (i) offset, pursuant to Section 363(k) of the Bankruptcy Code, the UST Credit Bid Amount against Indebtedness of Parent and its Subsidiaries owed to Purchaser as of the Closing under the UST Credit Facilities and the DIP Facility; (ii) transfer to Parent, in accordance with the instructions provided by Parent to Purchaser prior to the Closing, the UST Warrant; and (iii) issue to Parent, in accordance with the

instructions provided by Parent to Purchaser prior to the Closing, the Parent Shares and the Parent Warrants.

(c)

(i) Sellers may, at any time, seek an Order of the Bankruptcy Court (the "Claims Estimate Order"), which Order may be the Order confirming Sellers' Chapter 11 plan, estimating the aggregate allowed general unsecured claims against Sellers' estates. If in the Claims Estimate Order, the Bankruptcy Court makes a finding that the estimated aggregate allowed general unsecured claims against Sellers' estates exceed \$35,000,000,000, then Purchaser will, within five (5) days of entry of the Claims Estimate Order, issue 10,000,000 additional shares of Common Stock (the "Adjustment Shares") to Parent, as an adjustment to the Purchase Price.

(ii) The number of Adjustment Shares shall be adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to the Common Stock, effected from and after the Closing and before issuance of the Adjustment Shares.

(iii) At the Closing, Purchaser shall have authorized and, thereafter, shall reserve for issuance the Adjustment Shares that may be issued hereunder.

Section 3.3 Allocation. Following the Closing, Purchaser shall prepare and deliver to Sellers an allocation of the aggregate consideration among Sellers and, for any transactions contemplated by this Agreement that do not constitute an Agreed G Transaction pursuant to **Section 6.16**, Purchaser shall also prepare and deliver to the applicable Seller a proposed allocation of the Purchase Price and other consideration paid in exchange for the Purchased Assets, prepared in accordance with Section 1060, and if applicable, Section 338, of the Tax Code (the "Allocation"). The applicable Seller shall have thirty (30) days after the delivery of the Allocation to review and consent to the Allocation in writing, which consent shall not be unreasonably withheld, conditioned or delayed. If the applicable Seller consents to the Allocation, such Seller and Purchaser shall use such Allocation to prepare and file in a timely manner all appropriate Tax filings, including the preparation and filing of all applicable forms in accordance with applicable Law, including Forms 8594 and 8023, if applicable, with their respective Tax Returns for the taxable year that includes the Closing Date and shall take no position in any Tax Return that is inconsistent with such Allocation; provided, however, that nothing contained herein shall prevent the applicable Seller and Purchaser from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of such Allocation, and neither the applicable Seller nor Purchaser shall be required to litigate before any court, any proposed deficiency or adjustment by any Taxing Authority challenging such Allocation. If the applicable Seller does not consent to such Allocation, the applicable Seller shall notify Purchaser in writing of such disagreement within such thirty (30) day period, and thereafter, the applicable Seller shall attempt in good faith to promptly resolve any such disagreement. If the Parties cannot resolve a disagreement under this **Section 3.3**, such disagreement shall be resolved by an independent accounting firm chosen by Purchaser and

reasonably acceptable to the applicable Seller, and such resolution shall be final and binding on the Parties. The fees and expenses of such accounting firm shall be borne equally by Purchaser, on the one hand, and the applicable Seller, on the other hand. The applicable Seller shall provide Purchaser, and Purchaser shall provide the applicable Seller, with a copy of any information described above required to be furnished to any Taxing Authority in connection with the transactions contemplated herein.

Section 3.4 Prorations.

(a) The following prorations relating to the Purchased Assets shall be made:

(i) Except as provided in **Section 2.3(a)(v)** and **Section 2.3(a)(vi)**, in the case of Taxes with respect to a Straddle Period, for purposes of Retained Liabilities, the portion of any such Tax that is allocable to Sellers with respect to any Purchased Asset (including, for the avoidance of doubt, with respect to any Purchased Subsidiary) shall be:

(A) in the case of Taxes that are either (1) based upon or related to income or receipts, or (2) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), other than Transfer Taxes, equal to the amount that would be payable if the taxable period ended on the Closing Date; and

(B) in the case of Taxes imposed on a periodic basis, or otherwise measured by the level of any item, deemed to be the amount of such Taxes for the entire Straddle Period (after giving effect to amounts which may be deducted from or offset against such Taxes) (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction, the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire Straddle Period.

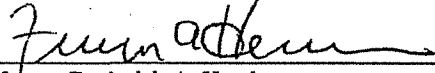
In the case of any Tax based upon or measured by capital (including net worth or long-term debt) or intangibles, any amount thereof required to be allocated under this clause (i) shall be computed by reference to the level of such items on the Closing Date. All determinations necessary to effect the foregoing allocations shall be made in a manner consistent with prior practice of the applicable Seller, Seller Group member, or Seller Subsidiary.

(ii) All charges for water, wastewater treatment, sewers, electricity, fuel, gas, telephone, garbage and other utilities relating to the Transferred Real Property shall be prorated as of the Closing Date, with Sellers being liable to the extent such items relate to the Pre-Closing Tax Period, and Purchaser being liable to the extent such items relate to the Post-Closing Tax Period.

(b) If any of the foregoing proration amounts cannot be determined as of the Closing Date due to final invoices not being issued as of the Closing Date, Purchasers

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly-authorized officer, in each case as of the date first written above.

GENERAL MOTORS CORPORATION

By: 
Name: Frederick A. Henderson
Title: President and Chief Executive Officer

SATURN LLC

By: _____
Name: Jill Lajdziak
Title: President

SATURN DISTRIBUTION CORPORATION

By: _____
Name: Jill Lajdziak
Title: President

CHEVROLET-SATURN OF HARLEM, INC.

By: _____
Name: Michael Garrick
Title: President

VEHICLE ACQUISITION HOLDINGS LLC
BY: THE UNITED STATES DEPARTMENT OF
THE TREASURY, ITS SOLE MEMBER

By: _____
Name: Duane Morse
Title: Chief Risk and Compliance Officer

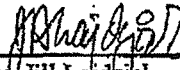
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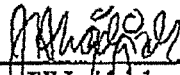
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By: _____
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Title: President


SATURN DISTRIBUTION CORPORATION

By: _____
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Title: President

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By: _____
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Title: President

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BY: THE UNITED STATES DEPARTMENT OF
THE TREASURY, ITS SOLE MEMBER

By:  _____
Name: Duane Morse
Title: Chief Risk and Compliance Officer

SIGNATURE PAGE TO THE MASTER SALE AND PURCHASE AGREEMENT

EXHIBIT 3

FIRST AMENDMENT TO AMENDED AND RESTATED MASTER SALE AND PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED MASTER SALE AND PURCHASE AGREEMENT, dated as of June 30, 2009 (this "Amendment"), is made by and among General Motors Corporation, a Delaware corporation ("Parent"), Saturn LLC, a Delaware limited liability company ("S LLC"), Saturn Distribution Corporation, a Delaware corporation ("S Distribution"), Chevrolet-Saturn of Harlem, Inc., a Delaware corporation ("Harlem," and collectively with Parent, S LLC and S Distribution, "Sellers," and each a "Seller"), and NGMCO, Inc., a Delaware corporation and successor-in-interest to Vehicle Acquisition Holdings LLC, a Delaware limited liability company ("Purchaser").

WHEREAS, Sellers and Purchaser have entered into that certain Amended and Restated Master Sale and Purchase Agreement, dated as of June 26, 2009 (the "Purchase Agreement"); and

WHEREAS, the Parties desire to amend the Purchase Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained in this Agreement, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

Section 1. *Capitalized Terms.* All capitalized terms used but not defined herein shall have the meanings specified in the Purchase Agreement.

Section 2. *Amendments to Purchase Agreement.*

(a) Section 2.3(a)(v) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

(v) all Liabilities of Sellers (A) arising in the Ordinary Course of Business during the Bankruptcy Cases through and including the Closing Date, to the extent such Liabilities are administrative expenses of Sellers' estates pursuant to Section 503(b) of the Bankruptcy Code and (B) arising prior to the commencement of the Bankruptcy Cases, to the extent approved by the Bankruptcy Court for payment by Sellers pursuant to a Final Order (and for the avoidance of doubt, Sellers' Liabilities in clauses (A) and (B) above include all of Sellers' Liabilities for personal property Taxes, real estate and/or other ad valorem Taxes, use Taxes, sales Taxes, franchise Taxes, income Taxes, gross receipt Taxes, excise Taxes, Michigan Business Taxes and Michigan Single Business Taxes and other Liabilities mentioned in the Bankruptcy Court's Order - Docket No. 174), in each case, other than (1) Liabilities of the type described in Section 2.3(b)(iv), Section 2.3(b)(vi), Section 2.3(b)(ix) and Section 2.3(b)(xii), (2) Liabilities arising under any dealer sales and service Contract and any Contract related thereto, to the extent such Contract has been designated as

a Rejectable Executory Contract, and (3) Liabilities otherwise assumed in this **Section 2.3(a)**;

(b) **Section 2.3(a)(ix)** of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

(ix) all Liabilities to third parties for death, personal injury, or other injury to Persons or damage to property caused by motor vehicles designed for operation on public roadways or by the component parts of such motor vehicles and, in each case, manufactured, sold or delivered by Sellers (collectively, "Product Liabilities"), which arise directly out of death, personal injury or other injury to Persons or damage to property caused by accidents or incidents first occurring on or after the Closing Date and arising from such motor vehicles' operation or performance (for avoidance of doubt, Purchaser shall not assume, or become liable to pay, perform or discharge, any Liability arising or contended to arise by reason of exposure to materials utilized in the assembly or fabrication of motor vehicles manufactured by Sellers and delivered prior to the Closing Date, including asbestos, silicates or fluids, regardless of when such alleged exposure occurs);

(c) **Section 2.3(b)(xii)** of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

(xii) all workers' compensation Claims with respect to Employees residing or employed in, as the case may be and as defined by applicable Law, (A) the states set forth on Exhibit G and (B) if the State of Michigan (1) fails to authorize Purchaser and its Affiliates operating within the State of Michigan to be a self-insurer for purposes of administering workers' compensation Claims or (2) requires Purchaser and its Affiliates operating within the State of Michigan to post collateral, bonds or other forms of security to secure workers' compensation Claims, the State of Michigan (collectively, "Retained Workers' Compensation Claims");

(d) **Section 6.6(d)** of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

(d) All Assumable Executory Contracts shall be assumed and assigned to Purchaser on the date (the "Assumption Effective Date") that is the later of (i) the date designated by the Purchaser and (ii) the date following expiration of the objection deadline if no objection, other than to the Cure Amount, has been timely filed or the date of resolution of any objection unrelated to Cure Amount, as provided in the Sale Procedures Order; provided, however, that in the case of each (A) Assumable Executory Contract identified on Section 6.6(a)(i) of the Sellers' Disclosure Schedule, (2) Deferred Termination Agreement (and the related Discontinued Brand Dealer Agreement or Continuing Brand Dealer Agreement)

designated as an Assumable Executory Contract and (3) Participation Agreement (and the related Continuing Brand Dealer Agreement) designated as an Assumable Executory Contract, the Assumption Effective Date shall be the Closing Date and (B) Assumable Executory Contract identified on Section 6.6(a)(ii) of the Sellers' Disclosure Schedule, the Assumption Effective Date shall be a date that is no later than the date set forth with respect to such Executory Contract on Section 6.6(a)(ii) of the Sellers' Disclosure Schedule. As soon as reasonably practicable following a determination that an Executory Contract shall be designated as an Assumable Executory Contract hereunder, Sellers shall use reasonable best efforts to notify each third party to such Executory Contract of their intention to assume and assign such Executory Contract in accordance with the terms of this Agreement and the Sale Procedures Order. On the Assumption Effective Date for any Assumable Executory Contract, such Assumable Executory Contract shall be deemed to be a Purchased Contract hereunder. If it is determined under the procedures set forth in the Sale Procedures Order that Sellers may not assume and assign to Purchaser any Assumable Executory Contract, such Executory Contract shall cease to be an Assumable Executory Contract and shall be an Excluded Contract and a Rejectable Executory Contract. Except as provided in **Section 6.31**, notwithstanding anything else to the contrary herein, any Executory Contract that has not been specifically designated as an Assumable Executory Contract as of the Executory Contract Designation Deadline applicable to such Executory Contract, including any Deferred Executory Contract, shall automatically be deemed to be a Rejectable Executory Contract and an Excluded Contract hereunder. Sellers shall have the right, but not the obligation, to reject, at any time, any Rejectable Executory Contract; provided, however, that Sellers shall not reject any Contract that affects both Owned Real Property and Excluded Real Property (whether designated on **Exhibit F** or now or hereafter designated on Section 2.2(b)(v) of the Sellers' Disclosure Schedule), including any such Executory Contract that involves the provision of water, water treatment, electric, fuel, gas, telephone and other utilities to any facilities located at the Excluded Real Property, whether designated on **Exhibit F** or now or hereafter designated on Section 2.2(b)(v) of the Sellers' Disclosure Schedule (the "Shared Executory Contracts"), without the prior written consent of Purchaser.

Section 3. Effectiveness of Amendment. Upon the execution and delivery hereof, the Purchase Agreement shall thereupon be deemed to be amended and restated as set forth in Section 2, as fully and with the same effect as if such amendments and restatements were originally set forth in the Purchase Agreement.

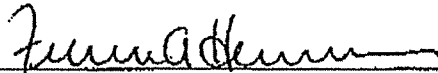
Section 4. Ratification of Purchase Agreement; Incorporation by Reference. Except as specifically provided for in this Amendment, the Purchase Agreement is hereby confirmed and ratified in all respects and shall be and remain in full force and effect in accordance with its terms. This Amendment is subject to all of the terms, conditions and limitations set forth in the Purchase Agreement, including **Article IX** thereof, which sections are hereby incorporated into this Amendment, mutatis mutandis, as if they were set forth in their entirety herein.

Section 5. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement. All signatures of the Parties may be transmitted by facsimile or electronic delivery, and each such facsimile signature or electronic delivery signature (including a pdf signature) will, for all purposes, be deemed to be the original signature of the Party whose signature it reproduces and be binding upon such Party.

[Remainder of page intentionally left blank]

~~IN WITNESS WHEREOF~~, each of the Parties hereto has caused this Amendment to be executed by its duly authorized officer, in each case as of the date first written above.

GENERAL MOTORS CORPORATION

By: 
Name: Frederick A. Henderson
Title: President and Chief Executive Officer

SATURN LLC

By: _____
Name: Jill Lajdziak
Title: President

SATURN DISTRIBUTION CORPORATION

By: _____
Name: Jill Lajdziak
Title: President

CHEVROLET-SATURN OF HARLEM, INC.

By: _____
Name: Michael Garrick
Title: President

NGMCO, INC.

By: _____
Name: Sadiq Malik
Title: Vice President and Treasurer

IN WITNESS WHEREOF, each of the Parties hereto has caused this Amendment to be executed by its duly authorized officer, in each case as of the date first written above.

GENERAL MOTORS CORPORATION

By: _____
Name: Frederick A. Henderson
Title: President and Chief Executive Officer

SATURN LLC

By: J. Lajdzak
Name: Jill Lajdzak
Title: President

SATURN DISTRIBUTION CORPORATION

By: J. Lajdzak
Name: Jill Lajdzak
Title: President

CHEVROLET-SATURN OF HARLEM, INC.

By: _____
Name: Michael Garrick
Title: President

NGMCO, INC.

By: _____
Name: Sadiq Maick
Title: Vice President and Treasurer

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Name: Frederick A. Henderson
Title: President and Chief Executive Officer

SATURN LLC

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Name: Jill Lajdziak
Title: President

SATURN DISTRIBUTION CORPORATION

By: _____
Name: Jill Lajdziak
Title: President

CHEVROLET-SATURN OF HARLEM, INC.

By: _____
Name: Michael Garrick
Title: President

NGMCO, INC.

By: _____
Name: Sadiq Malik
Title: Vice President and Treasurer

JUN-30-2009 00:07

P.21

IN WITNESS WHEREOF, each of the Parties hereto has caused this Amendment to be executed by its duly authorized officer, in each case as of the date first written above.

GENERAL MOTORS CORPORATION

By: _____
Name: Frederick A. Henderson
Title: President and Chief Executive Officer

SATURN LLC

By: _____
Name: Jill Lajdziak
Title: President

SATURN DISTRIBUTION CORPORATION

By: _____
Name: Jill Lajdziak
Title: President

CHEVROLET-SATURN OF HARLEM, INC.

By: _____
Name: Michael Garrick
Title: President

NGMCO, INC.

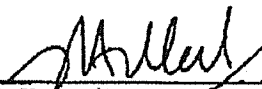
By:  _____
Name: Sadiq Malik
Title: Vice President and Treasurer

EXHIBIT 4



Janine A
LaMore/US/GM/GMC
11/17/2009 03:10 PM

To Lawrence S. Buonomo/US/GM/GMC@GM, Lawrence J.
Lines III/US/GM/GMC@GM

cc

bcc

Subject Contract Template Legal - Submission to AlixPartners Kelly
Castillo et al v GM Stipulation of Settlement

The initial template submission to AlixPartners on 6/30/2009 is below identifying the Kelly Castillo Stipulation of Settlement and GM's decision.

— Forwarded by Janine A LaMore/US/GM/GMC on 11/17/2009 03:03 PM —



Janine A
LaMore/US/GM/GMC
06/30/2009 01:34 PM

To dgoldwin@alixpartners.com, rwhitlock@alixpartners.com

cc Suzanne M. Miklos/US/GM/GMC@GM

Subject Contract Template Legal

The attached template contains new Legal contract receipts to be assumed and/or reject later. If there are any questions please let me know.

Janine A. LaMore

Legal Assistant
313-665-7371
248-267-4461 (Fax)
janine.lamore@gm.com
GM Legal Staff, 400 Renaissance Center,
M/C 482-026-601, Detroit, MI 48265-4000

CONFIDENTIALITY NOTICE: This e-mail and any attachments contain information from the General Motors Legal Staff and are intended solely for the use of the named recipient or recipients. The e-mail may contain privileged attorney/client communications or work product. Any dissemination of this e-mail by anyone other than an intended recipient is strictly prohibited. If you are not a named recipient, you should not use the e-mail or attachments. If you believe you have received this e-mail in error, please notify the sender immediately and permanently delete the e-mail, any attachments, and all copies thereof from any drives or storage media and destroy any printouts of the e-mail or attachments.



GML_DMS-#2688421-v1-CONTRACT_TEMPLATE_LEGAL_-ALIXPARTNERS_2009-06-30.XLSX

CONTRACT TEMPLATE - REJECT - ASSUME - JA LAMORE 2009-06-25

	A	B	C	D	E	F	G	H	I	J	K
1	AP Category	AlbPartnersNumber	Counterpartyname	ContractDescription	ContractName	Contracttype	Decision	ContractLocation	Contractnumber	Businessunit	Departmentfunctionalare a
2											
3											
4											
5											
6			Stipulation of Settlement: Kelly Castillo, Nichole Brown and Barbara Gilsson v General Motors Corporation, Case No. 2:07-CV-02142 WBS-GGH	Settlement Agreement for litigation involving 2002, 2003, 2004 or 2005 MY Saturn VUE or 2003, 2004 MY Saturn ION equipped with a continuously variable VTi transmissson.	Stipulation of Settlement: Kelly Castillo, Nichole Brown and Barbara Gilsson v General Motors Corporation, Case No. 2:07-CV-02142 WBS-GGH	Settlement Agreement	Reject Later	LSA	16555890	Legal	Powertrain
7											
8											
9											
10											
11											
12											
13											

CONTRACT TEMPLATE - REJECT - ASSUME - JA LAMORE 2009-06-25

	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	Projected Total Annual Spend (\$) - can be approximate if not know (e.g., last 12 months DACOR spend)	Is Contract Strategic (i.e., High priority to reject quickly)? Y/N										
2												
3												
4												
5												
6	Named Plaintiffs Incentive Fees: not in excess of \$2,500 per Plaintiff Attorneys' Fees: Not in excess of \$4,250,000	Yes	16555890	Lawrence J. Lines	Lawrence J. Lines			Settlement Agreement	Named Plaintiffs Incentive Fees: not in excess of \$2,500 per Plaintiff Attorneys' Fees: Not in excess of \$4,250,000	Yes	Several million dollars plus attorney fees and costs	Settlement Agreement for litigation in 2002, 2003, 2005 MY Saturn or 2003, 2004 Saturn ION etc with a continuous variable VTI transmission.
7												
8												
9												
10												
11												
12												
13												

CONTRACT TEMPLATE - REJECT - ASSUME - JA LAMORE 2009-06-25

	AC	AD	AE	AF
1				
2				
3				
4				
5				
6	No Preference	No Issue	Avoid necessity to pay claims	
7				
8				
9				
10				
11				
12				
13				

EXHIBIT 5

Saturn VTi (CVT) Transmission

Customer Satisfaction Assurance Review

August 04, 2008

CVT History and Background

- CVT Introduced in 2001 CY on 2002 MY Saturn VUE
- In Total, 88,992 Saturn VUEs and IONs Built With CVT Transmission
 - 2002-2005 MY Saturn VUE 4 cyl
 - 2003-2004 MY Saturn ION 4 cyl
- All CVT Equipped Vehicles Produced With 3 Year/36,000 Mile Bumper To Bumper Warranty
- March 2004 – GM Extended Warranty Coverage (Special Policy) to 5 Year / 75,000 Miles
- Through May 2009, 45,225 Repairs Completed
 - 27,381 Case Cover Replacements (Ave per repair)
 - 17,844 Full Assembly Replacements (Ave per repair)
- October 2007 – Class Action Lawsuit Filed
- July 2008 – “Proposed” Class Action Lawsuit Settled With Subsequent Court Required Fairness Hearings Prior To Final Judgment
 - Stipulates The Following Dates For Repair/Replacement/Reimbursement Completion:
 - 2002 MY – January 1, 2010
 - 2003 MY – January 1, 2011
 - 2004-2005 MY – January 1, 2012
 - Stipulates The Following GM Cost Responsibility Percentage:

<u>Mileage</u>	<u>Original Buyer</u>	<u>Bought Used</u>
100K or less	100%	75%
100k-125K	75%	30%

CVT Issue Current Status

- Class Action Settlement was in process when GM filed for bankruptcy
 - Settlement has been assigned to Old GM
- CARS Customer Assistance Center and Saturn Retailers Repairing/Replacing/Reimbursing Claims In-line With “Proposed” Class Action Settlement Privileged
 - Need to provide direction to Retailers and Field Managers
- 2009 Experiencing 1,000 Failures/Month And Rising
- Currently NO Backlog Of Claims To Be Settled – But NO Written Notification To Customers Completed Awaiting Final Settlement of “Proposed” Class Action Lawsuit

• Privileged

• Confidential

Customer Satisfaction/Retention Options

- **Option 1: Do Nothing**
 - Settlement has been assigned to old GM—Obligation no longer exists
 - GM Has Already Determined To Sell or Discontinue The Saturn Brand
 - High Percentage Of Saturn Owners Were Conquest Who Expressed Won't Buy Another GM (As High As 67% Reported)
 - Most of existing \$8.4M CVT parts inventory will likely become obsolete
- **Option 2: Honor The Provisions Of The “Proposed” Class Action Settlement**

Privileged
- **Option 3: Re-write Existing Special Policy To Further Extend The Warranty Time/Mileage**
 - Currently Parameters Of Special Policy Are 5 YR / 75,000 Miles
 - Extending Would Be Simplest Method To Provide Coverage
- **Option 4: Provide Owners With A Voucher (Or Owner Loyalty Certificate) Towards The Purchase Of A New GM Vehicle-**

Recommendation

- Extend existing special policy to 8 years/100k miles
 - Up to 5 years/75k miles—repairs covered 100% (existing policy)
 - Between 5/75 and 8/100—repairs covered 75% or offer customer \$2,500 Owner Loyalty Certificate
- Offer \$2,000 Owner Loyalty Certificate to owners with failures between 100k and 125k miles

Note: Cost information will not be available until later this week

EXHIBIT 6

Saturn VTi (CVT) Transmission

Customer Satisfaction Assurance Review

August 04, 2008

CVT History and Background

- CVT Introduced in 2001 CY on 2002 MY Saturn VUE
- In Total, 88,992 Saturn VUEs and IONs Built With CVT Transmission
 - 2002-2005 MY Saturn VUE 4 cyl
 - 2003-2004 MY Saturn ION 4 cyl
- All CVT Equipped Vehicles Produced With 3 Year/36,000 Mile Bumper To Bumper Warranty
- March 2004 – GM Extended Warranty Coverage (Special Policy) to 5 Year / 75,000 Miles
- Most vehicles will experience 1 or more CVT failures
- Through May 2009, 45,225 Repairs Completed
 - 27,381 Case Cover Replacements (Ave [redacted] per repair)
 - 17,844 Full Assembly Replacements (Ave [redacted] per repair)
- October 2007 – Class Action Lawsuit Filed
- December 2008—Notice of Proposed Settlement sent to class members
- February 2009—GM Began Addressing Customer Issues in Line with Proposed Settlement:
 - Settlement Stipulates The Following GM Cost Responsibility Percentage:

<u>Mileage</u>	<u>Original Buyer</u>	<u>Bought Used</u>
100K or less	100%	75%
100k-125K	75%	30%

CVT Issue Current Status

- Class Action Settlement was in appeal process when GM filed for bankruptcy
 - Settlement has been assigned to Old GM
- CARS Customer Assistance Center and Saturn Retailers Repairing/Replacing/Reimbursing Claims In-line With “Proposed” Class Action Settlement Privileged [REDACTED] since 2/3/09
 - Need to provide direction to Retailers and Field Managers if change in policy
- 2009—Experiencing 1,000 Failures/Month And Rising
- Currently NO Backlog Of Claims To Be Settled – Continuing to approve claims in line with Class Action Settlement

• Privileged [REDACTED]

• Confidential [REDACTED]

Customer Satisfaction/Retention Options

- **Option 1: Do Nothing**
 - Settlement has been assigned to old GM—Obligation no longer exists
 - GM Has Already Determined To Sell or Discontinue The Saturn Brand
 - High Percentage Of Saturn Owners Were Conquest Who Expressed Won't Buy Another GM (As High As 67% Reported)
 - Most of existing \$8.4M CVT parts inventory will likely become obsolete
- **Option 2: Honor The Provisions Of The “Proposed” Class Action Settlement**

Privileged
- **Option 3: Re-write Existing Special Policy To Further Extend The Warranty Time/Mileage**
 - Currently Parameters Of Special Policy Are 5 YR / 75,000 Miles
 - Extending Would Be Simplest Method To Provide Coverage
- **Option 4: Provide Owners With A Voucher (Or Owner Loyalty Certificate) Towards The Purchase Of A New GM Vehicle**

Recommendation

- Combination of Options 3 and 4
 - Extend existing special policy to 8 years/100k miles
 - Up to 5 years/75k miles—repairs covered 100% (existing policy)
 - Between 5/75 and 8/100—repairs covered 75% or offer customer \$2,500 Owner Loyalty Certificate
 - Offer \$2,000 Owner Loyalty Certificate to owners with failures between 100k and 125k miles
- See Next Page for Rationale

Note: Cost information will not be available until later this week. Accrual that was set up for Class Action Settlement was eliminated when liability was transferred to old GM.

Rationale

- Pros

- Provides some coverage for all eligible class action participants
- Requires customer participation for repairs.—will lead to better repair/replace decisions (Kelley Blue Book trade-in value of most of these vehicles is \$2300-\$4000)
- Owner Loyalty Certificates encourage customers to try vehicles from the New GM
- Simple to administer—no difference between owners that purchased new and those that purchased used
- Minimizes uncertainty of future policy claims

Confidential

- Cons

- More expensive than do-nothing option
- Confidential
- Treats customers who bought used the same as customers that bought new (different than settlement)

EXHIBIT 7

From: Derek Marshall
To: Jeff Setting; Greg Hall
CC:
BCC:
Sent Date: 2009-09-30 15:38:00:000
Received Date: 2009-09-30 15:38:01:000
Subject: Fw: Saturn CVT Legal Settlement Reserve
Attachments:

This is like Jason from Friday the 13th the movie.

Derek Marshall
BOM Quality Engincer Brakes and ICE
Cell: 248-303-1350

----- Forwarded by Derek Marshall/US/GM/GMC on 09/30/2009 11:37 AM -----



Lori Hamilton/US/GM/GMC
09/30/2009 10:15 AM
To Derek Marshall/US/GM/GMC@GM
cc
Subject Fw: Saturn CVT Legal Settlement Reserve

FYI

----- Forwarded by Lori Hamilton/US/GM/GMC on 09/30/2009 10:14 AM -----

Susan Tuohy/US/GM/GMC

09/30/2009 10:07 AM

To Lori Hamilton/US/GM/GMC@GM
cc Robert B Solomon/US/GM/GMC@GM, Russ Bratley/US/GM/GMC@GM
Subject Re: Fw: Saturn CVT Legal Settlement Reserve

High probability that a decision will get made today to offer something more in line with the proposed class action settlement that was left behind in OldCo. That's what's driving the e-mail traffic today which is just to give you guys a heads up. Once I get any draft documents on what they propose to do, I'll forward them.

Lori Hamilton/US/GM/GMC



Lori Hamilton/US/GM/GMC
09/30/2009 10:03 AM
To Susan Tuohy/US/GM/GMC@GM
cc Robert B Solomon/US/GM/GMC@GM, Russ Bratley/US/GM/GMC@GM
Subject Re: Fw: Saturn CVT Legal Settlement Reserve

I have not received any further update on the status of this Legal Settlement. We are planning to put another **Confidential** looks for the remaining vehicles covered under the Special Coverage Program. There are only 5% of the total eligible vehicles remaining.

Thanks.

Lori

Susan Tuohy/US/GM/GMC

Susan Tuohy/US/GM/GMC

09/30/2009 09:32 AM

To Russ Bratley/US/GM/GMC@GM, Lori Hamilton/US/GM/GMC@GM, Robert B Solomon/US/GM/GMC@GM
cc
Subject Fw: Saturn CVT Legal Settlement Reserve

Per your question

— Forwarded by Susan Tuohy/US/GM/GMC on 09/30/2009 09:31 AM —



Lori
Hamilton/US/GM/GMC

08/06/2009 03:43 PM

To Susan Tuohy/US/GM/GMC@GM
cc Russell T. Tiejema/US/GM/GMC@GM
Subject Saturn CVT Legal Settlement Reserve

Sue:

I found the information on the CVT reserve. Yes, there was \$20M in an 00 5443 account (legal settlement liability) put on the books in Aug 2008. However, I understand that ALL Legal Settlement Reserves were left in OldCo. That would include whatever was left of the Stepper Motor settlement as well.

The expense account is the 8877 legal settlement account, as well as some 8615 accounts that are commercial accounts. The legal settlement account rolls into a Cost of Sales-Other Account in the Income Statement. However, the 8877 account rolls to Structural-Other on the PLP. The 8615 would roll to commercial.

I understand from Dave Raynush that there are currently some discussions underway about resetting up those liabilities.

Let me know if you have any questions.

Thanks.

Lori

EXHIBIT 8

Saturn CVT Review

Joe Fitzsimmons/Sue Tuohy

August 24th, 2009



GMNAVPerales

GM CONFIDENTIAL



CONFIDENTIAL

Continual Variable Transmission (CVT) Background

- Current Saturn car parc is approximately 3.4M vehicles (U.S.)
- CVT introduced in 2001 CY on 2002 MY Vue
 - In total, 88,992 Saturn vehicles were built with CVT:
 - 2002 – 2005 MY Saturn Vue
 - 2003 – 2004 MY Saturn Ion
- All CVT equipped vehicles produced with 3 year/36,000 mile bumper-to-bumper warranty
- March 2004 – GM extended warranty coverage (special policy) to 5 year / 75,000 miles

GMCASTILL0000000004



GMNA After sales

GM CONFIDENTIAL

CONFIDENTIAL

Continual Variable Transmission (CVT) Background

- October 2007 – Class Action Lawsuit filed in U.S.
 - Settlement assigned to Motors Liquidation Company
- Class Action Lawsuit filed and proceeding in Canada
- Through June 2009, 46,376 repairs completed
- To date, GM has spent on CVT's

GMCASTILL0000000005
* Redacted



GMNA After sales

GM CONFIDENTIAL

3

CONFIDENTIAL

Anticipated CVT Requirements (Pieces)

• Special Policy	935
• Canada Proposal	1210
• Customer Pay	
– 1%	243
– 5%	1211

GMCASTILL0000000006



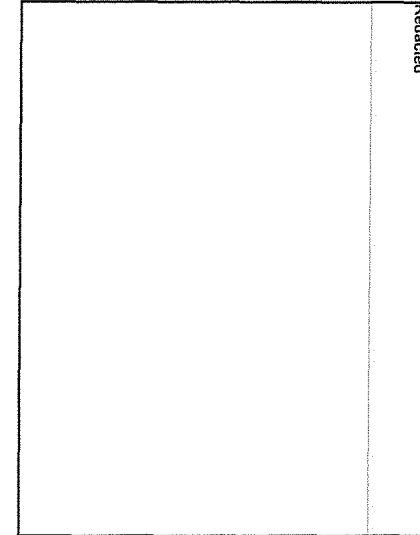
GMNA Aftersales

GM CONFIDENTIAL

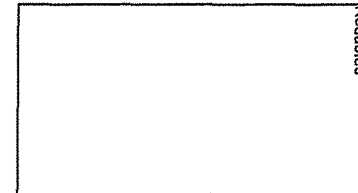
CONFIDENTIAL

CVT Inventory Considerations as of 6/30/09

- Inventory on hand:
 - Consigned components
 - Core inventory
 - subtotal
 - Less Obsolescence
 - Net Amount Included in Inventory



- Initial all-time buy projections:
 - Bosch belts
 - Bearings

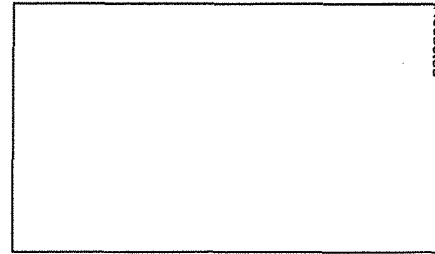


GMCASTILL0000000007

CONFIDENTIAL

Revised Inventory Requirements (8/24/09)

- Special policy and Canada
- Customer pay
- All time buy of belts/bearings not required



GMCAS111100000000008

CONFIDENTIAL

Saturn Service Parts Operations CVT P&L *

\$ In Millions

	2007	2008	June 2009 YTD
Net Sales **			
Material			
Freight			
Policy & Warranty			
Contribution Margin	\$		
	%		
Incremental Structural			
Incremental Operating Profit	\$		
	%		

Redacted

* Excludes fluids

** Includes sales to allied units at dealer net less 20%

GMCASTILL0000000009

Summary

Future Requirements:

Redacted

- CVT inventory requirements are significantly lower going forward
- CVT's are fully integrated in the SSPO operation
- CVT's generate a positive operating profit in the U.S. but a loss on sales to Canada

GM Issue

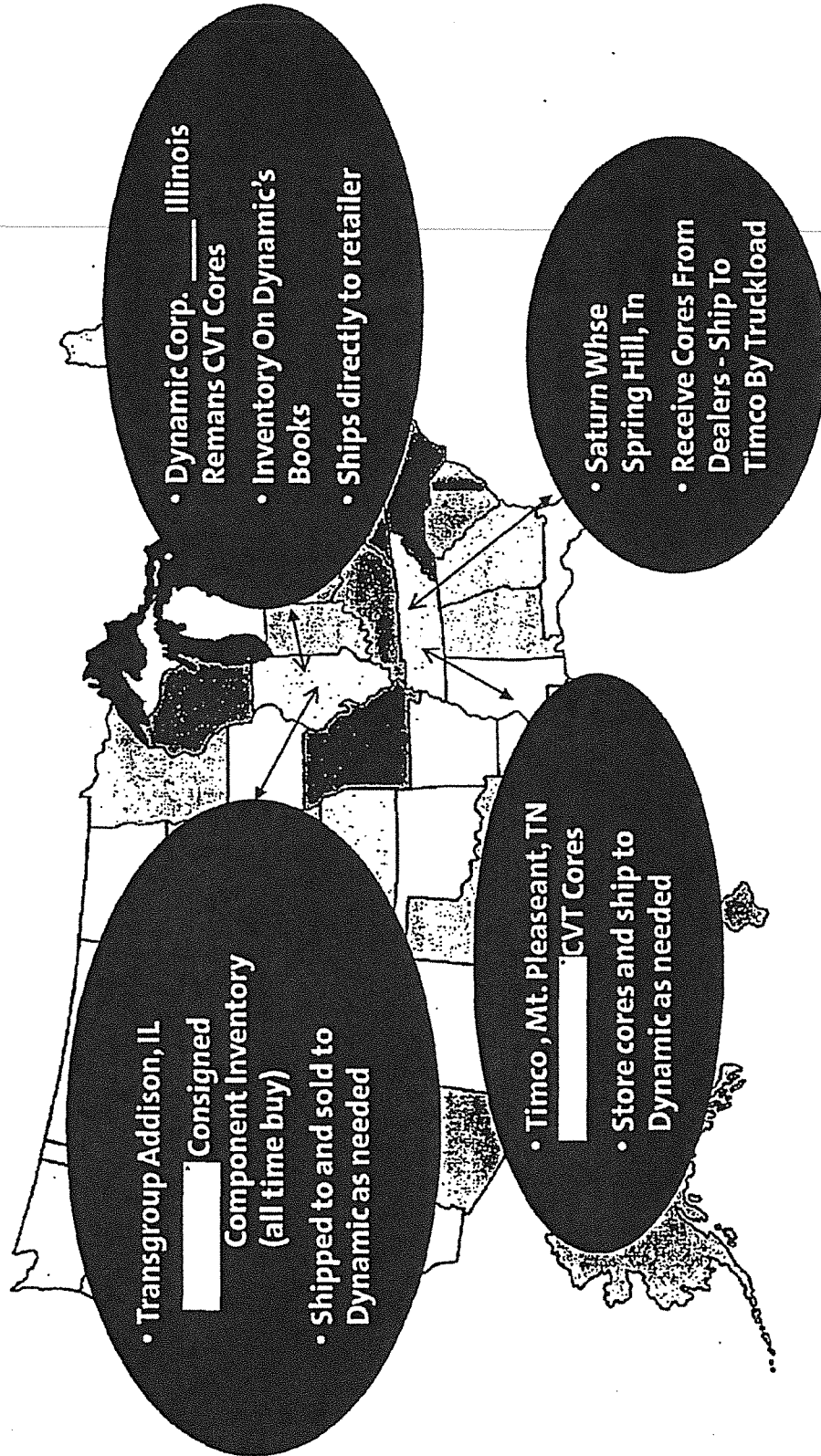
Redacted



Back up



CVT Remanufacturing Process & Inventory Locations



CONFIDENTIAL

CVT Inventory and Usage Summary

	Inventory As Of June 2009		Monthly Usage Units	Months Supply	Exhaust Date	Next Buy Plan
	\$ 000's	Units				
CVT Cores						
Assemblies (3 pn's)	Redacted	2,192	625	3.5	N/A	Dealer returns 525/mo
Case Cover (1 pn)	Redacted	4,803	515	9.3	N/A	Dealer returns 495/mo
Other (Vlv bdy, torq conv)	Redacted	5,655	495	11.4	N/A	Dealer returns 456/mo
Total Core	Redacted					
CVT Components						
Belt (1 pn)	Redacted	7,196	1,050	6.9	Jan 2010	One time buy 23,000 pcs
Pulleys (2 pn's)	Redacted	11,026	2,100	5.3	Dec 2009	Dec 09 reman pulleys no longer consigned
Other (160 pn's)	Redacted	771,466	62,427	12.4	Feb 2012	Buys req'd on 14 add'l components to cover to Feb 2012
Total Components	Redacted					
Grand Total Inventory	Redacted					
Less Obsolesence	Redacted					
Net Amount Included In Inventory	Redacted					

• Obsolescence reserve accounted for in initial valuation activity

GMCASTILL0000000013

CONFIDENTIAL

Saturn Service Parts Operations CVT Per Unit Data *

	<u>Valve Body</u>	<u>Case Cover</u>	<u>Trans Ion</u>	<u>Trans Vue AWD</u>	<u>Trans Vue FWD</u>
<u>U.S. Sale</u>	[Redacted]				
Dealer Net					
Material Cost					
Other Incremental **					
Incremental OP					

<u>Canada Sale @ DN Less 20%</u>	[Redacted]				
Dealer Net					
Material Cost					
Other Incremental **					
Incremental OP					

* Excludes Fluids

** Other Incremental Includes Freight, P&W, Pick & Pack

GMCASTILL0000000014

EXHIBIT 9

From: Gary Smits
To: JOSEPH E RIGSBY; Lawrence J. Lines III; Scott Lawson; JONATHAN HUIISH
CC: Loren Rusk
BCC:
Sent Date: 2009-09-16 17:32:15:000
Received Date: 2009-09-16 17:32:16:000
Subject: administrative message draft - Saturn VTi transmission
Attachments: VTi admin message draft v1 091609.docx

In Administrative Message format for your review



VTi admin message draft v1 091609.docx

Gary Smits
GM Service Operations
Group Manager - Field Performance Evaluation
Warren Technical Center
office 586-947-8133
cell 248-318-1182

GM SERVICE AND PARTS OPERATIONS
DCS????
URGENT - DISTRIBUTE IMMEDIATELY

DATE: September XX, 2009

SUBJECT: Saturn VTi Transmission Settlement Clarification

MODELS: Certain 2002 – 2005 Saturn Vue and 2003 – 2004 Saturn Ion Vehicles equipped with VTi)

TO: All Saturn Retailers

ATTENTION: Dealer Operator, General Manager, Sales Manager, Service Manager, Used Car Manager, Parts Manager and Warranty Administrator

As you know, General Motors Corporation (now Motors Liquidation Company or "MLC") previously entered into a class wide settlement agreement of certain litigation involving the VTi transmission in 2002-2005 Saturn Vue and 2003-2004 Saturn Ion Vehicles. Without admitting liability for any claims made in the litigation and to avoid the costs and expenses of further litigation, MLC agreed that after the effective date of the settlement it would reimburse customers for certain VTi transmission related expenses incurred after the expiration of the of the 5 year/75,000 mile limited warranty applicable to this transmission. In addition, as a customer good will matter prior to the effective date of the settlement, as contained in Service Operations Bulletin G_0000020717, MLC put in place a practice of reimbursing eligible claims pursuant to the time, mileage and percentage reimbursement schedule contained in the settlement. However, before the effective date of the settlement, MLC was forced to file for bankruptcy protection.

When it emerged from the bankruptcy proceedings, General Motors Company ("GM") did not assume liability under the settlement or otherwise for any reimbursement obligations with respect to the VTi transmission. The Bankruptcy Court's order approving the 363 sale of MLC assets to GM specifically provides that such sale was free and clear of any MLC liabilities unless expressly assumed by GM. Therefore, the responsibility, if any, to provide reimbursement to customers under the settlement remains with MLC subject to the normal procedures of the Bankruptcy Court. Thus, Bulletin G_0000020717 is no longer effective and no reimbursement of VTi transmission related expenses should be made or will be honored by GM pursuant to the terms of the prior policy outlined in that bulletin.

END OF MESSAGE
GM SERVICE AND PARTS OPERATIONS

EXHIBIT 10

Saturn CVT Field Actions

October 6, 2009



1

Saturn CVT Warranty & Customer Goodwill Expense Performance

Current Spend Totals as of August 28, 2009 for the Vue:

	2002 MY	2003 MY	2004 MY	2005 MY	Grand Total
Sum of Total Cost (Global)	Confidential				

Mileage Cost Breakdown For Vue Claims:

- 0 – 36,000 Base Warranty
- 36,001 – 75,000 Special Warranty Coverage
- 75,000 – Up Customer Goodwill

Confidential

Current Spend Totals as of August 28, 2009 for the Ion:

	2003 MY	2004 MY	Grand Total
Sum of Total Cost (Global)	Confidential		

Mileage Cost Breakdown For Ion Claims:

- 0 – 36,000 Base Warranty
- 36,001 – 75,000 Special Warranty Coverage
- 75,000 – Up Customer Goodwill

To date GM has spent Confidential on Special Coverage and Goodwill claims on the CVT

Confidential

Total CVT Cost as of August 28, 2009 =

Confidential

**Remainder of 5/75 Special Coverage adds Confidential to overall CVT cost to GM



Population Estimate for 8/100 or \$5000 Voucher Goodwill Policy (US & Canada)

- From 8-28-2008 thru 8-28-2009 we repaired or replaced 8,757 CVT Transmissions
 - 2001 of the 8,757 claims based on mileage would be covered under the 5/75 special coverage
 - 1274 of the 8,757 vehicles were over 100,000 miles at the time of repair and would not be covered under either the 5/75 special coverage or the 8/100 goodwill policy
- Given this, 5,458 claims the past year would have been covered if the proposed 8/100 Goodwill Policy was in place.
- Based on current age of vehicles in the field, the 8/100 Goodwill Policy would be in effect for another 24 months, or an additional **10,986 claims** (5458 claims/yr x2 yrs)

**Note there is currently a pending class action in Canada impacting 6,500 vehicles with the same transmission and vehicle. Court approval may be required to ~~implement this program.~~



Cost Estimate for 8/100 or \$5000 Voucher Goodwill Policy (US & Canada)

- Total estimated cost for proposed 8/100 Goodwill Policy = Confidential
for repair claims
 - 10,986 claims Confidential
 - At 50% cost share with owner Confidential
 - We estimate based on historical Goodwill trends there will be an additional Confidential of cost to GM for Goodwill Policy.

- Adding the vehicle voucher for \$5,000 at 10% or 50% take rate would equate to:
 - 10% Confidential
 - 50% Confidential



Considerations

- 90,033 CVT's were sold
 - To date General Motors has spent significant resources (approximately \$170M) under regular warranty, Special Coverage and Goodwill addressing this concern.
 - 10,986 customers are estimated to benefit from the 8/100 Goodwill Policy
 - Of the remaining 79,047 customers, the vast majority would not experience a failure but some customers would already be out of coverage based on warranty mileage over last year..
- Over 12,000 customers have already received more than one repair
 - 8/100 Goodwill Policy does not necessarily benefit these customers unless they have another failure within the timeframe of the policy

Confidential

- The prior U.S. Class Action settlement has not been assumed by "New" GM. Plaintiffs attorneys have filed a new lawsuit claiming the New GM is responsible for that settlement. GM has moved to dismiss that case which it believes to be without merit. ^{Privileged}
- In Canada we still have legacy issues and implementation of this policy may require court approval.
- High Probability that Saturn Retailers would not offer vouchers to customers and stick to service revenue generation through repair (due to imminent wind-down). Risk eliminated if we mail letters to all customers

Privileged



BACKUP



Certificate Process

- Customer chooses certificate option at time of repair
- Dealer contacts RVDC to request repurchase via certificate
- RVDC will verify eligibility
- RVDC repurchases vehicle for \$5K credited to customer to reduce transaction price.
 - RVDC follows normal repurchase procedures
 - RVDC arranges to have vehicle scrapped
 - Where possible vehicle will be salvaged and \$\$ returned to GM



EXHIBIT 11

LAWRENCE BUONOMO
August 17, 2011

1 A. Correct.

2 Q. So in other words, the U.S. Treasury was
3 negotiating with Old GM on behalf of an entity
4 that later became known as New GM?

5 A. Correct. Well, it never formally became known as
6 New GM, but essentially correct.

7 Q. In standard parlance, yes.

8 How many negotiators were there on who
9 spoke on behalf of U.S. Treasury?

10 A. The treasury team included Steven Rattner who was
11 I think the senior-most member; Ron ^{Bloom} Blum, who I
12 always regard as No. 2 although that may not be
13 precisely accurate; Harry Wilson, who was what I
14 will call the operating person who really did the
15 deal for the treasury; Matthew Feldman, who was a

16 lawyer, second ^{ed} to the treasury -- well -- or he
17 was from a New York firm anyway temporarily
18 working for treasury, Willkie Farr. They had
19 outside counsel, Cadwalader, Wickersham & Taft.

20 Although they really had very, very
21 little involvement in the transactional aspects,
22 the government of the United States has always
23 represented the bankruptcy court by the U.S.
24 Attorney's Office.

25 And there were a variety of people of

EXHIBIT 12

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1 lesser rank involved to a greater or lesser
2 degree. The two names that were most seen were
3 Sadiq Malik, S-A-D-I-Q M-A-L-I-K, and David
4 Markowitz. Sort of the working level, very young
5 guys, like associates in a law firm.

6 Q. Were Mr. Malik and Mr. Markowitz lawyers employed
7 by treasury or were they state department or
8 something else?

9 A. They were -- they -- I guess I don't know exactly
10 -- they were business people, first of all, like
11 probably MBA types or business types. How their
12 employment was set up I have no idea.

13 Q. They were government employees though?

14 A. I think so. I'm not even 100 percent certain of
15 that, but I think so.

GM
16 Q. Is there one person at treasury whom you would
17 consider to be your primary contact in your
18 negotiations?

π
19 A. Well, I guess the two people I would have dealt
20 with most frequently would have been Matt Feldman
21 and Harry Wilson, although you have to always ask
22 the questions which negotiations at what time
23 about what to really answer that question in any
24 kind of accurate way.

π
25 Q. Let me refine that in just a second, but let me

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1 start by asking what percentage of your
2 negotiations with treasury would you say dealt
3 with the issue of which liabilities would be
4 resumed versus those that would be retained?

5 A. Very little; very, very little. It would all

6 have been documenting it or determining the
7 effects of it, but from the almost earliest point
8 -- let me step back. This answer is
9 pre-June 1st, 2009. There's another different
10 set of facts for post-June 1st, 2009.

11 But at the very first meeting there
12 essentially was consensus at a conceptual level
13 about liabilities and assets. Liabilities more
14 than assets. Assets probably got finalized a
15 little bit later. And almost nothing I would
16 characterize as negotiation about that on the
17 liability side until after June 1st.

18 Q. Okay. Why is June 1st a demarcation line?

19 A. Because June 1st was the date of the bankruptcy
20 filing and it was the date of the filing of the
21 motion to approve the master sale and purchase
22 agreement as it had been negotiated and executed
23 prior to that date.

24 Then there were a whole series of
25 discussions that came up after that in the

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August 17, 2011

GM
1 context of objections that were filed to motion
2 to approve the master sale and purchase
3 agreement.

IT
4 Q. Just so I understand your answer, prior to
5 June 1st, there was very little of what you would
6 call negotiating regarding retain versus assumed
7 liabilities. There was instead conceptual
8 agreement at that point. And then after the
9 bankruptcy filing on June 1st, there was
10 additional discussion regarding which liabilities
11 would be assumed and which would be retained?

12 A. I think that's fair.

GM
13 Q. So let's talk first about the time period prior
14 to June 1st, 2009. When you say there had been
15 conceptual agreement about assumed versus
16 retained liabilities, please explain what you
17 mean by that.

18 A. Well, the intent and structure of the transaction
19 that was outlined to us by the treasury team was
20 that all liabilities would be left behind except
21 a few individual items which included the
22 expressed warranties and included contracts
23 necessary to the operation of the business. It
24 included whatever the results were because they
25 weren't finalized yet of the labor negotiations

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1 with the UAW.

2 I may be missing something, but the
3 fundamental rule was in essence it all got left
4 behind. And of course we all do this, but left
5 behind in this context means not assumed by the
6 new company pursuant to the transaction. We used
7 the same terminology ourselves, but it's a little
8 bit imprecise.

9 Q. So when you colloquially talked about left behind
10 liabilities, you're referring to what the ARMSPA
11 calls retained liabilities?

12 A. Yes. Obviously that definition came later, but
13 yes.

14 Q. You're familiar with Section 2.3(a)(vii) of the
15 ARMSPA?

16 A. I'm sure I am, but not by citation number.

17 Q. Okay. Let me make this easier.

18 A. 2.3(a)(vii).

19 (Exhibit C marked.)

20 BY MR. BROWN:

21 Q. I'm handing you what's been labeled Exhibit C,
22 which is a copy of the Amended and Restated
23 Master Sale and Purchase Agreement which we've
24 also referred to as the ARMSPA; is that correct?

25 A. I note that you don't have all the exhibits here,

EXHIBIT 13

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1 pursuant to the warranty. It would include
2 paying the dealers. It would include maintaining
3 a system and infrastructure to fulfill the
4 warranties. There's a lot that goes with having
5 a warranty system and we're trying to catch that
6 in relatively high-level language.

7 (Off the record.)

8 BY MR. BROWN:

9 Q. Let's start with that question again.

10 A. Why don't ask you the question again.

11 Q. In 2.3(a)(vii), what did you mean by the language
12 arising under express written warranties?

13 A. The intent was that the new company would assume
14 the obligation to fulfill the express warranties
15 and would do all the things and meet all the
16 obligations necessary to do that including, for
17 example, providing the actual repairs and
18 replacements, paying the dealers to do the work,
19 maintaining the system and infrastructure and
20 parts bank, and all those things and generally
21 take the actions necessary to fulfill the
22 warranties referenced. And of course a lot of
23 things, to use that word, arise from an
24 obligation to do that.

25 Q. All Liabilities, capital L liabilities, referred

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August 17, 2011

1 to do to fulfill these warranties going forward.
2 And a variety of things flow from that arising
3 under. That was the intent. That was what was
4 trying to be conveyed in using that language.

5 Q. Under Section 2.3(a)(vii), other than the
6 specific terms of warranties contained in the
7 glove box at the time of sale, would there be any
8 other liabilities arising under expressed written
9 warranties of sellers that are specifically
10 identified as warranties and delivered in
11 connection with the sale of the vehicle?

12 A. Putting aside that we also have other warranties
13 here for like individual parts, for example, are
14 covered under this, so it could be warranties for
15 remanufactured parts, for example, which is a
16 totally different universe, totally different
17 warranty, but sticking to the vehicle, no, it
18 would only be what was contained within as you
19 put it the glove box warranty.

20 Q. Who was your primary contact with the United
21 States Treasury?

22 A. Overall I would say Matt Feldman. I don't
23 believe that I ever had any discussions related
24 to the issue ^{that} ~~this~~ brings us here today with Matt
25 Feldman.

EXHIBIT 14

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1 Have you shared with me every communication that
2 you remember being relayed about the language of
3 2.3(a)(vii)?

4 A. I believe so.

5 Q. What communications from Cadwalader or U.S.
6 Treasury were conveyed to you regarding the
7 concept of Section 2.3(a)(vii) of the ARMSPA?

8 A. There were none and that was essentially my
9 point. There was no discussion, negotiation,
10 controversy about what we were trying to
11 implement. It was just getting the language
12 right to reflect what was understood to be the
13 business deal.

14 And typically if there was an issue
15 about concept about business terms, that would
16 not be handled through the outside lawyers. That
17 would be handled in the -- what I'll call the
18 client level in a sense, even though the treasury
19 people -- I thought of them as the client from a
20 purchaser perspective.

21 Q. You didn't think of them as your client. You
22 thought of treasury as Cadwalader's client?

23 A. Cadwalader's client technically would have been
24 the purchaser, NGM, Co., but I tend to think of
25 treasury as their client. That may even be

EXHIBIT 15

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1 three examples I came up with as I was speaking.
2 In fact, there were more than three, but there
3 were three that I came up with at that particular
4 point in time.

5 Q. And what was the date of this conversation you
6 just described?

7 A. I believe that it was May 14th.

8 Q. Does May 14th have a particular significance that
9 allows you to remember that day?

10 A. Yes. I recall that I took the call on my cell
11 phone from the lobby of the General Motors
12 offices in Washington, D.C., because I was there
13 for a meeting with the Canadian government, and
14 by that virtue, I can pick a date for it;
15 otherwise I would not have been able to.

16 Q. And who was on the other end of that phone call,
17 the Cadwalader call?

18 A. There were lots of people on the other lines.
19 These massive calls it's always difficult to
20 remember everybody. The person doing the talking
21 largely and asking the questions largely was Greg
22 Patti of Cadwalader. There were lots of other
23 people on the line, but I couldn't tell you who
24 they were.

25 Q. What was the purpose of the May 14th, 2009, call

EXHIBIT 16

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1 made to settlements as a class of executory
2 contracts that would be rejected. However, I
3 don't believe Castillo was mentioned by name.

4 I don't -- I cannot recall that it was
5 mentioned by name. That would exhaust prior to
6 June 1st.

7 Q. Before we move on past June 1st, let me make sure
8 I understand. The conversations in which it was
9 discussed that settlements would be considered
10 executory contracts, who was that conversation
11 with?

12 A. It was one of these calls with lots of people on
13 them. The purpose of the call was to discuss our
14 efforts to identify executory contracts that
15 should be rejected.

16 There was a group from Cadwalader. At
17 this point I can't remember who. I would be
18 guessing if I started listing the usual suspects.
19 And there was one of the junior treasury people,
20 I believe maybe 80 percent certainty that it was
21 ~~Sadic (ph.)~~ ^{Sadiq}

22 Then on our side there would have been
23 -- there were Russ ~~Bradley~~ ^{Bratley}, myself. I think for
24 part of the call Joe Damours. I think a couple
25 of our relatively junior folks that worked for

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GM
1 Joe. Again, I could provide a list of potential
2 suspects, but I don't really recall which it was.

3 Q. This call took place between May 14th and
4 June 1st?

5 A. I would say between May 1st and June 1st. It was
6 similar to the call -- the May 14th call. The
7 May 14th call had as Cadwalader purpose to ask us
8 about our litigation. This call was to ask us
9 about executory contracts.

TT
10 Q. During the May 14th call with Cadwalader
11 regarding litigation, were there any types of
12 pending litigation that you identified as
13 liabilities to be assumed?

14 A. No. I'm going to distinguish, make sure that
15 answer is clear. There were categories of
16 litigation that would come, because as I
17 described, they were against nondebtors for
18 example, but they weren't going to be assumed.
19 They were just going to be unaffected because
20 they did not involve a debtor.

21 But as of May 14th, the shared intent
22 was that all litigation liabilities would be left
23 behind. All litigation liabilities of the
24 sellers -- that is to say General Motors
25 Corporation, Saturn, and the dealership that was

EXHIBIT 17

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1 to do to fulfill these warranties going forward.

2 And a variety of things flow from that arising

3 under. That was the intent. That was what was

4 trying to be conveyed in using that language.

5 Q. Under Section 2.3(a)(vii), other than the
6 specific terms of warranties contained in the
7 glove box at the time of sale, would there be any
8 other liabilities arising under expressed written
9 warranties of sellers that are specifically
10 identified as warranties and delivered in
11 connection with the sale of the vehicle?

12 A. Putting aside that we also have other warranties
13 here for like individual parts, for example, are
14 covered under this, so it could be warranties for
15 remanufactured parts, for example, which is a
16 totally different universe, totally different
17 warranty, but sticking to the vehicle, no, it
18 would only be what was contained within as you
19 put it the glove box warranty.

20 Q. Who was your primary contact with the United
21 States Treasury?

22 A. Overall I would say Matt Feldman. I don't
23 believe that I ever had any discussions related
24 to the issue ^{that} ~~this~~ brings us here today with Matt
25 Feldman.

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GM

1 Q. If you could please turn to Exhibit LL, which is
2 the witness disclosure, and specifically
3 paragraph 3 on page 9. It says that --
4 A. I must correct my answer.
5 Q. Okay.
6 A. I must correct my answer. There was a call, in
7 which we haven't gotten to yet, in which these
8 issues were discussed, and I believe Matt Feldman
9 was on that call. So my prior answer about never
10 having discussed this with Matt Feldman was not
11 correct, was an error.
12 Q. Are you referring to a conversation that's
13 referenced in Exhibit LL?
14 A. Actually not, but for some reason, reading it put
15 it in my head.
16 Q. So why don't you tell me about that conversation.
17 A. There was a conversation close in time to the
18 beginning -- excuse me, close in time to the sale
19 approval hearing which involved among others, one
20 of those big calls, among others, Harry Wilson,
21 Matt Feldman, I think somebody from Cadwalader.
22 I believe Mike Milliken of the General Motors
23 legal staff, I believe Steve Cernak of the
24 General Motors legal staff, I believe Mike
25 Robinson of the General Motors legal staff, quite

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GM

1 possibly Bob Osborn, general counsel. The topic
2 of discussion was things we might do for the
3 purpose of resolving the objections of the state
4 AGs. One of the things -- well, high-level
5 discussion first.

6 One of the things discussed was might
7 we broaden the scope of the assumption of, you
8 know, broadly speaking warranty liabilities and
9 the answer was that the conclusion was, no, we
10 would not do that.

11 Q. What broadening of the scope of warranty
12 liability were the attorneys generally
13 requesting?

14 A. I think they would have liked us to assume all
15 consumer-related liabilities ^{of} General Motors
16 Corporation.

17 Q. Meaning including implied warranties?

18 A. Everything, everything, everything. And implied
19 warranties were very high on their list actually.
20 And there was some discussion, someone said,
21 well, maybe we should do that. Maybe we should
22 take on implied warranties. The person was
23 assuming that was essentially in the nature of
24 I'll call retail consumer relations-type stuff.
25 And I can't recall who actually made that

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6M

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suggestion.

I commented that pretty close to -- I think I could almost get the right words. Well, you could do that, but understand that if you do that, you will essentially take the entire class action docket with you, because essentially all ^a ~~the~~ class action is, generally speaking, is a whole bunch of -- for our purposes in our world, a whole bunch of implied warranty and other claims of that sort bundled together in a class.

And Mr. Wilson, who was the primary spokesman for the treasury on this call, did most of the talking said -- well, it's interesting, because I didn't actually express an opinion except it was implied in my comment, but his comment was I agree with Larry, correctly discerning that I thought it was a bad idea. And that was pretty much the end of that idea. We did not do that. But Matt Feldman was on that call.

Q. Do you recall the date of that conversation?

A. Other than I took it from the temporary office that I was using at Weil Gotshall, New York, which put it quite late in June.

Q. Turning to paragraph 3 on page 9 of Exhibit LL it

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GM

1 says, The United States Treasury insisted that
2 the new company that would become the New GM
3 should assume only those liabilities of Old GM
4 that were deemed essential to the successful
5 operations of the new company. What if any --
6 Strike that.

7 First of all, who specifically at UST
8 insisted on that?

9 A. All of them, but the person who was the guardian
10 of that for them I think, at least in our view,
11 was Harry Wilson.

TT

12 Q. What, if any, criteria were discussed for
13 determining which liabilities would be considered
14 essential to the successful operations of the new
15 company?

16 A. Although I don't recall ever discussing the
17 criteria for evaluation, per se, in those terms,
18 I think that what it really came down to is
19 either one of two things. Either you had to have
20 it in order to continue doing business and the
21 quintessential example of that would have been a
22 contract with the UAW to build cars, or the new
23 company was stronger, more valuable, more likely
24 to succeed assuming the liability than it was not
25 assuming the liability, which was sort of a

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1 slightly less high hurdle than absolutely
2 ^{required.}
~~acquired.~~

3 But you know, we never talked about it
4 in the way you and I are discussing it here. It
5 was sort of implied in the discussions about
6 specific things.

7 Q. Was there ever a discussion about who would be
8 responsible for making the determination as to
9 which liabilities would be considered essential
10 to the successful operation of the new company?

11 A. Ultimately it was the treasury people who decided
12 what they were willing to buy and what they were
13 willing to assume. And on that point, I think
14 it's probably fair to say that their opinion was
15 as close to final as on any point, although at
16 the same time they charged the seller, the old
17 company, repeatedly with making the effort to
18 find, determine, identify, and make sure that
19 unfavorable liabilities were left behind, were
20 excluded, and that primarily came up in the
21 context of executory contracts, because executory
22 contracts required something more than the
23 agreement to accomplish the leaving behind. You
24 had to identify them, you had to put them on the
25 right list so to speak.