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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re: : Chapter 11
: :
General Motors Corporation, : Case No. 09-50026 (REG)
: :
Debtor. :
----- X

OBJECTION OF COUNTY OF WAYNE, MICHIGAN TO DEBTORS' MOTION TO APPROVE (A) THE SALE PURSUANT TO THE MASTER SALE AND PURCHASE AGREEMENT WITH VEHICLE ACQUISITION HOLDINGS, A U.S. TREASURY-SPONSORED PURCHASER, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) OTHER RELIEF

TO THE HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE

County of Wayne, Michigan ("Wayne"), by and through its undersigned counsel, hereby files this objection ("Objection") to the motion ("Sale Motion") of the above-captioned debtors and debtors in possession ("GM" or "Debtors") seeking authority to sell certain of their assets, free and clear of all liens and certain other claims and interests, to Vehicle Acquisition Holdings LLC, a purchaser sponsored by the U.S. Treasury ("U.S. Treasury Purchaser"), pursuant to that certain Master Sale and Purchase Agreement ("MPA") and related agreements ("GM

Restructuring Transaction”) unless the Debtors’ MPA is modified to include the YTO Six Speed Facility (as defined below) as a Purchased Asset. The relief requested by Wayne is also supported by the following declarations: Declaration of Don Skidmore; Declaration of Ken Figley; Declaration of Brenda Stumbo; and the Declaration of Steve Theodore. In support thereof, Wayne respectfully represents as follows:

PRELIMINARY STATEMENT

1. The GM Restructuring Transaction does not represent a sound or prudent business judgment of the Debtors and is plagued by the same type of mistakes and flawed analysis that resulted in the filing of these chapter 11 cases.

2. Through the MPA, the Debtors seek to continue production at failing and inefficient production facilities and outsource production and U.S. jobs to facilities located in France and Mexico, while shuttering a more profitable and productive facility located in the heart of America’s industrial center.

3. In a bankruptcy case funded almost solely by the dollars of U.S. taxpayers, the Debtors ask this Court for the authority to close one of its prized U.S. based production facilities—as measured by the Debtors own internal criteria—while outsourcing a substantial portion of that facilities’ production and jobs to plants located in Mexico and France.

4. The proper standard to evaluate the Debtors’ ill-founded choice is not business judgment because transactions that benefit insiders must withstand heightened scrutiny before they can be approved under Bankruptcy Code § 363(b). In this case, and unlike in *In re Chrysler LLC., et al.*, Case No. 09-50002 (AJG), there is not a third-party entity that is contributing anything whatsoever to the New GM. Heightened scrutiny is mandated because the U.S.

Treasury stands on all sides of the GM Restructuring Transaction, as lender, chief negotiator, purchaser and majority equity holder in the New GM if this Court approves the Sale Motion and the MPA.

5. Before this Court allows the financial and emotional catastrophe that would result if the GM Restructuring Transaction is approved in its current form, the Debtors must conclusively demonstrate that U.S. tax dollars are, at a very minimum, being prudently and wisely used by the outsourcing of production to Mexico and France and other less productive facilities.

BACKGROUND

I. U.S. Treasury Financial Assistance

6. On December 31, 2008, GM and the U.S. Treasury entered into an agreement (“U.S. Treasury Loan Agreement”) that provided GM with emergency financing of up to \$13.4 billion pursuant to a secured term loan facility (“U.S. Treasury Facility”). The availability under the U.S. Treasury Facility was increased by \$2 billion on April 22, 2009, and by an additional \$4 billion on May 22, 2009, for a total amount of \$19.4 billion. *See* Debtors’ Motion for Postpetition Financing (“DIP Motion”) (Doc. No. 64) ¶¶ 14, 20, 22.

7. The U.S. Treasury Facility required that GM develop a long term plan which would demonstrate GM’s future viability (“Long-Term Viability Plan”). *Id.* at ¶ 14. On March 30, 2009, President Obama announced that the Long-Term Viability Plan did not meet the federal government’s criteria to establish GM’s future viability. *Id.* at ¶ 16. In connection with that announcement, the President outlined certain actions that were required of GM to receive additional federal assistance. *Id.*

8. President Barack Obama also announced that, in the interest of GM receiving further support from the U.S Treasury, G. Richard Wagoner, J.R. who had been CEO since June 1, 2000, had agreed to resign as Chairman and CEO of GM. *Id.* In addition, Kent Kresa, a director since 2003, was appointed as Chairman of the Board, and it was also announced that a majority of GM's Board would be replaced over the next few months because "it will take new vision and new direction to create the GM of the future." *Id.* (quoting Barack H. Obama, U.S. President, Remarks on the America Automotive Industry at 4 (Mar. 30, 2009)).

9. The U.S. Government set a deadline of June 1, 2009 for GM to demonstrate its viability plan to achieve the objectives outlined by President Obama. *Id.* at ¶ 18. GM was unable to achieve these objectives and on June 1, 2009 ("Petition Date"), it filed for chapter 11 bankruptcy.

10. On the Petition Date, the Debtors filed the DIP Motion. The DIP Motion provides that, "The U.S. Treasury will provide the financing to create the New GM." *Id.* at ¶ 19.

II. The Sale Motion and the MPA

11. Also, on the Petition Date, the Debtors filed the Sale Motion. (Doc. No. 92). As set forth in the Sale Motion and MPA, the U.S. Treasury Purchaser agreed to purchase certain assets from the Debtors. If this Court grants the Sale Motion and approves the MPA, the U.S. Treasury will own approximately 60% of the equity in the New GM.

12. Attached to the Sale Motion as Exhibit A was the MPA, which among other things, identified the assets that would be purchased by the U.S. Treasury Purchaser. Exhibit F to the MPA identified certain real property assets of the Debtors that would not be purchased by the U.S. Treasury Purchaser, including "GMPT – Willow Run, 2930 Ecorse Road, Ypsilanti MI

48197-0935” (“Willow Run Plant”). As a result of its inclusion on Exhibit F, the Willow Run Plant will be closed and liquidated along with the other assets of ‘Old GM.’ *See* Exhibit A, Letter from Dave Tatman, Willow Run Site Plant Manager.

III. The Willow Run Plant

A. *Manufacturing Facilities at the Willow Run Plant*

13. The Willow Run Plant has two separate manufacturing facilities. *See* Exhibit B ¶ 6, Declaration of Don Skidmore (“Skidmore Decl.”); Exhibit C ¶ 7, Declaration of Ken Figley (“Figley Decl.”)

14. One facility, Ypsilanti Transmission Operations, produces a six speed transmission (“YTO Six Speed Facility”), and the other facility, Willow-Run Transmission Operations, produces a four speed transmission (“Four Speed Facility”).¹ *See* Skidmore Decl. ¶ 7; Figley Decl. ¶ 8.

15. The YTO Six Speed Facility and the Four Speed Facility operate independent of each other, are separated by a firewall, and have separate workforces, machinery, and equipment. *See* Skidmore Decl. ¶¶ 8, 9; Figley Decl. ¶¶ 9, 10. The YTO Six Speed Facility building is approximately one million square feet and the Four Speed Facility building is approximately four million square feet. *See* Skidmore Decl. ¶ 10; Figley Decl. ¶ 11.

16. Prior to the closure of the YTO Six Speed Facility on June 1, 2009, there were approximately two-hundred fifty workers employed at the YTO Six Speed Facility. *See* Skidmore Decl. ¶ 11; Figley Decl. ¶ 12. The YTO Six Speed Facility was constructed in 2004 and production began there in 2005. *See* Skidmore Decl. ¶ 12; Figley Decl. ¶ 13. GM has

¹ The YTO Six Speed Facility, and not the Four Speed Facility, is the subject of this Objection.

invested hundreds of million of dollars in the YTO Six Speed Facility since 2003-04 and the Charter Township of Ypsilanti (“Ypsilanti Township”) has granted two tax abatements for the Willow Run Plant in the last seven years totaling \$270,993,500.00. *See* Skidmore Decl. ¶ 13; Figley Decl. ¶ 14; Exhibit D, Charter Township of Ypsilanti Resolution 2009-19 at 1.

B. *Outsourcing of Jobs and Production*

17. On the Petition Date, the Debtors informed the employees of the Willow Run Plant that the YTO Six Speed Facility would be permanently closed, effective immediately. *See* Exhibit A, Letter from Dave Tatman.

18. On June 2, 2009, a GM managerial employee provided Steve Theodore, Local Union 735 Sourcing Coordinator, with a document stating that the six speed transmissions manufactured at the YTO Six Speed Facility would be transferred primarily to three different GM manufacturing facilities located in Silao, Mexico (“Mexico Facility”), Strasbourg, France and Toledo, Ohio (“Toledo Facility”). *See* Exhibit E ¶ 9, Declaration of Steve Theodore (“Theodore Decl.”). However, since the Sale Motion has not been approved and no transfer of production has occurred, GM can elect to not consummate these transfers and to continue producing the six speed transmission at the YTO Six Speed Facility.

19. GM must outsource the production of the YTO Six Speed Facility to three other facilities because none of them alone have the capacity, infrastructure or equipment to match the production capacity at the YTO Six Speed Facility. *See* Figley Decl. ¶ 24.

C. *YTO Six Speed Facility Compared to the Mexico Facility and Toledo Facility*

20. GM regularly conducted meetings at the YTO Six Speed Facility, including monthly meetings led by Don Morand, Plant Manager of the YTO Six Speed Facility, that all

employees (“YTO Employees”) of the YTO Six Speed Facility were required to attend. *See* Skidmore Decl. ¶ 14. During these meetings, GM distributed information and charts comparing the YTO Six Speed Facility to other GM manufacturing facilities that produced six speed transmissions, including the Mexico Facility and the Toledo Facility. *Id.* ¶ 15.

21. During several of these meetings, GM informed certain YTO Employees that the landed cost² of producing a six speed transmission was \$145.00 less at the YTO Six Speed Facility as compared to the Toledo Facility. *See* Figley Decl. ¶¶ 16, 17, 18, 20, 21, 22; Theodore Decl. ¶ 8.

22. Moreover, during a meeting conducted by Mr. Morand, on May 7, 2009, attended by Ypsilanti Township Supervisor Brenda Stumbo, Ypsilanti Township Clerk Karen Lovejoy Roe, Ypsilanti Township Treasurer Larry Doe, Bargaining Chairman Ken Figley, and President of Local Union 735 Don Skidmore, Mr. Morand stated that the cost of producing a six speed transmission at the YTO Six Speed Facility was \$145.00 less than at the Toledo Facility. Exhibit F ¶¶ 14.B., 17, Declaration of Brenda Stumbo (“Stumbo Decl.”)

23. Additionally, during the monthly meeting that occurred during the last week of May 2009, Mr. Skidmore, received a chart entitled, “Global BIQ [Best in Quality] Level Survey” comparing the quality of products manufactured at GM’s manufacturing facilities. *See* Exhibit G, BIQ Chart; Skidmore Decl. ¶ 16.

24. This chart compared the YTO Six Speed Facility to the Mexico Facility [Silao Transmission] and the Toledo Facility. *Id.* ¶ 17. As the chart indicates, using GM’s own internal

² The landed cost is equal to the total cost of producing a six speed transmission, including, among other things, labor, shipping, trucking, materials, and scrap.

criteria, the YTO Six Speed Facility far outperformed the Mexico Facility and the Toledo Facility, earning a perfect 5 in all categories except for one. *Id.*

25. Further, during the May monthly meeting, GM distributed a chart entitled “PPM [Pulls Per Million] Performance Pulls” to Mr. Skidmore. *See* Exhibit H, PPM Chart; Skidmore Decl. ¶ 18. This chart measures the number of transmissions produced at the GM manufacturing facilities identified on the chart that were defective once they reached a consumer and had to be removed (i.e. pulled) from such consumer’s vehicle. *Id.* ¶ 19. As the chart indicates, the YTO Six Speed Facility had zero defective transmissions during the six month period from November 2008 – April 2009, compared to 21 defective transmissions at the Toledo Facility and 35 defective transmissions at the Mexico Facility [Silao]. *Id.* ¶ 20.

26. Also distributed to Mr. Skidmore during the May monthly meeting was the chart entitled, “GMPT [GM Power Train] – FTQ [First Time Quality] Performance.” *See* Exhibit I, FTQ Chart; Skidmore Decl. ¶ 21. This chart measures the percentage of manufactured products that were properly assembled when such products reached the end of the assembly line. *Id.* ¶ 22. This chart indicates that the percentage of properly manufactured six speed transmissions at the YTO Six Speed Facility was 99%, compared to 98% for the Toledo Facility and 95% for the Mexico Facility [Silao]. *Id.*

IV. Newly Offered Tax Benefits for the YTO Six Speed Facility

27. On June 16, 2009, Ypsilanti Township convened a meeting of the Ypsilanti Township Board of Trustees (“Trustees”) and passed Resolution 2009-19 (“Ypsilanti Resolution”). *See* Exh. C, Ypsilanti Resolution at 5. The Ypsilanti Resolution provides that the Trustees support splitting the YTO Six Speed Facility and the Four Speed Facility into two

separate taxable parcels. *Id.* at 3. This would enable GM to continue production at the YTO Six Speed Facility while the operations at the Four Speed Facility were wound down. *Id.* A surveyor was retained to effectuate the split and Ypsilanti Township has completed all necessary requirements to split the two facilities. The only remaining obstacle to the property split is GM's consent. As stated in the Ypsilanti Resolution, the split will result in the reduction of GM's current tax liabilities and operating costs "by an additional 80%." *Id.* at 3-4.

28. Moreover, by letter dated June 18, 2009, the Governor of Michigan, Jennifer Granholm, and the Lieutenant Governor, John Cherry, stated that they support the establishment of a Michigan Strategic Fund ("MSF")-designated Renaissance Zone for the Willow Run Plant. *See* Exhibit J, Letter from Governor Granholm to Fritz Henderson, dated June 18, 2009.

29. Pursuant to Act 375 of 1996, Michigan Renaissance Zone Act, MCL 125.2681 *et. seq.*, Renaissance Zone designation provides, among other things, a full abatement of all Michigan Business Tax, local real and personal property tax, and state education tax for a period of twelve years.

30. As Governor Granholm stated that she would support a Renaissance Zone designation on June 18, 2009, the millions of dollars in tax savings that would result from such a designation were not factored into GM's decision to close the YTO Six Speed Facility. *See* MPA, dated June 1, 2009, Exhibit A to Debtor's Sale Motion. If GM were willing to initiate meaningful negotiations, the Renaissance Zone designation would be one of the matters considered in determining whether to close the YTO Six Speed Facility.

31. One of the objectives in seeking meaningful negotiations with GM is full and complete discussion of these tax savings and the other matters raised in this Objection that were not considered by GM in its decision to close the facility. *See* discussion at ¶¶ 41-43, *infra*.

ARGUMENT

I. Sale Subject to Heightened Scrutiny

32. Transactions that benefit insiders must withstand heightened scrutiny before they can be approved under Bankruptcy Code § 363(b).

33. Although the Bankruptcy Code defines the term ‘insider’, 11 U.S.C. §101(31), courts have uniformly held that the Bankruptcy Code’s definition is merely illustrative and that the term ‘insider’ must be flexibly applied on a case-by-case basis.” *Pan Am. Corp. v. Delta Air Lines, Inc.*, 175 B.R. 438, 499 (S.D.N.Y. 1994) (citations omitted).

34. As the *Pan Am. Corp.* court recognized, the legislative history of § 101(31) indicates that the term applies to “one who has a sufficiently close relationship with the debtor that his conduct is made subject to closer scrutiny than those dealing at arms length with the debtor.” *Id.* (quoting S. Rep. No. 989, 95th Cong. 1st Sess. 25 (1978), reprinted in 1978 U.S.C.C.A.N. 5787, 5810, 6269) (legislative history 11 U.S.C. § 101(31)) (other citations omitted); *see also DeRosa v. Buildex Inc. (In re F&S Central Mfg. Corp.)*, 53 B.R. 842, 848 (Bankr. E.D. N.Y. 1985) (stating that insiders include those with “special influence over the debtor”).

35. In determining whether a creditor is an “insider” of a debtor, courts have considered a wide variety of factors, including whether the creditor: (a) received information

from the debtor that was not available to other creditors, shareholders and the general public; (b) attempted to influence decisions made by the debtor; (c) selected new management for the debtor; (d) had special access to the debtor's premises and personnel; (e) was the debtor's sole source of financial support; and (f) generally acted as a joint venturer or prospective partner with the debtor rather than an arms length creditor. *See Pan Am Corp.*, 175 B.R. at 500 (citing *In re Allegheny Int'l Inc.*, 118 B.R. 282, 298-99 (Bankr. W.D. Pa. 1990)).

36. Transactions that benefit insiders must withstand heightened scrutiny before they can be approved under § 363(b). *See, e.g., Official Comm. of Unsecured Creditors of Enron Corp. v. Enron Corp. (In re Enron Corp.)*, 335 B.R. 22, 28 (S.D.N.Y. 2005); *In re Med. Software Solutions*, 286 B.R. 431, 445 (Bankr.D.Utah 2002) (holding that under § 363(b) when transactions benefit insiders, "the purchaser [of the asset] has a heightened responsibility to show that the sale is proposed in good faith and for fair value"); *In re Wingspread Corp.*, 92 B.R. 87, 93 (Bankr. S.D.N.Y.1988); *In re Firstmark Corp.*, 46 F.3d 653, 656 (7th Cir. 1995) ("...a sale of a debtor's property to an insider is subject to close scrutiny."); *In re Ozark Restaurant Equipment Co., Inc.*, 850 F.2d 342, 345 (8th Cir. 1988) (sales arranged by insiders must be given close scrutiny).

37. Although transactions with insiders are not per se prohibited under section 363 of the Bankruptcy Code, they "are necessarily subjected to heightened scrutiny because they are rife with the possibility of abuse." *In re Bidermann Indus. U.S.A., Inc.*, 203 B.R. 547, 551 (Bankr. S.D.N.Y. 1997); *In re Wingspread Corp.*, 92 B.R. 87, 93 (Bankr. S.D.N.Y. 1988).

38. All of the factors cited by *Pan Am. Corp.* and *In re Allegheny Int'l, Inc.*, in determining insider status are present in this case. Since the U.S. Treasury's involvement with

GM commenced in late 2008, the U.S. Treasury (a) has received information from the Debtors that was not available to other creditors, shareholders, and the general public; (b) had substantial influence over decisions made by the Debtors, including the filing of its bankruptcy petition and the GM Restructuring Transaction; (c) selected new management for the Debtor, including the Debtors' CEO; (d) had special access to the Debtors' premises and personnel; (e) provided the overwhelming majority of financial support for the Debtors; and (f) has acted as prospective partner with the Debtors as opposed to an arms length creditor.

39. The manifestations of this control are abundant and clear. The U.S. Treasury engineered the timing of the bankruptcy petition, dictated the disposition of substantially all of the Debtors' assets, and allocated equity interests in the New GM.

40. Thus, this Court must examine the Debtors' decision to not include the YTO Six Speed Facility as a Purchased Asset under heightened scrutiny. The closure of the YTO Six Speed Facility is not a reasonable or prudent exercise of GM's business judgment because it costs GM considerably less to produce six speed transmissions at the YTO Six Speed Facility as compared to the facilities it plans to outsource production to. Moreover, the six speed transmissions produced at the YTO Six Speed Facility far exceed those produced at other facilities in terms of quality and workmanship.

41. GM's decision to include the YTO Six Speed Facility as a Purchased Asset would also allow it to use the U.S. tax dollars that are funding this bankruptcy case to preserve American jobs instead of outsourcing production to Mexico and France. Furthermore, the recent tax benefits agreed to by Ypsilanti Township and the State of Michigan will result in additional and substantial savings for GM.

42. It is apparent that General Motors has not considered these factors. By letter dated June 1, 2009, Congressman John D. Dingell, a Senior Member of the United States House or Representatives, wrote to GM President and CEO, Fritz Henderson, expressing his concern over the closure of the YTO Six Speed Facility and asking GM to re-examine its position. *See* Exhibit K, Letter from Dingell to Henderson. On June 17, 2009, Mr. Dingell received a letter sent by regular mail, dated June 5, 2009, from Gary L. Cowger of GM, where Mr. Cowger sought to explain the rationale for the decision to close the Willow Run Plant. *See* Exhibit L, Letter from Cowger to Dingell.

43. Significantly, while conceding the efficiency and desirability of the Willow Run Plant, Mr. Cowger argued that the Willow Run Plant nonetheless should be closed due to its size and GM's need for only a fraction of the building. As discussed above, subsequent to Mr. Cowger's June 5 letter, Ypsilanti Township has resolved this issue for GM through the creation of separate tax parcels for the YTO Six Speed Facility and the Four Speed Facility. The effect of this action would be to relieve GM of the very costs that it argues are the basis for closing the YTO Six Speed Facility.

44. GM has not made a deliberate or prudent business judgment with respect to the closure of the YTO Six Speed Facility because it has not considered many of the factors necessary to make an informed decision. Before this Court allows GM to take an action that will drastically alter the fate of American families and communities, GM must demonstrate that even when considering the significant tax, cost, and operational efficiencies outlined above, it is in its best interest to close the YTO Six Speed Facility and outsource its jobs and production to Mexico and France.

CONCLUSION

45. In light of the evidence provided herein and the recent legislative action that would further reduce the cost to produce six speed transmissions at the YTO Six Speed Facility, GM's decision to close the YTO Six Speed Facility does not withstand the heightened scrutiny that this Court should apply in deciding whether to grant the Sale Motion and approve the MPA in its current form.

WHEREFORE, Wayne respectfully requests entry of an order denying the Debtors' Sale Motion unless the Debtors include the YTO Six Speed Facility as a Purchased Asset in the MPA.

Dated: June 18, 2009

Respectfully submitted,

MILLER, CANFIELD, PADDOCK AND STONE, PLC

By: /s/ Timothy A. Fusco

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EXHIBIT A

June 1, 2009

Dear Willow Run Site Employees,

This is a very difficult day for our entire team. While we all have been aware of the challenges in the automotive industry, it is hard to learn that this impacts us directly.

As you heard today, GM announced that it would form a leaner, more customer-focused, more cost competitive company – called the “New GM”. To launch this new company, it was necessary to enter a court-supervised process – commonly referred to as Chapter 11 Bankruptcy – with the full support of the UAW and U.S. Government. While we preferred other paths to our goal, the court process gives us powerful tools to accelerate and complete the job of reinventing GM. It also provides strong safeguards to our customers and our business between now and the time New GM exits the court process and launches as an independent company.

During this period, GM will remain open for business and all employees will be paid in the normal course. Warranty, service and customer support activities will continue uninterrupted, with U.S. Government guarantees. New products and advanced-technology launches will continue on schedule, and all GM facilities will operate on the same basis they did last week.

While we look forward to the opportunities awaiting the New GM, we must also face the unfortunate realities of the current GM as it exists today. As a result, GM will close or place on standby capacity status 14 U.S. manufacturing plants by 2012. In the filing issued today by GM, the facilities are identified along with specific timing.

I regret to inform you that one of the sites that will close is Willow Run/YTO.

The closing of this site will occur in four stages as follows:

- ① We will cease production of 6-speed transmissions at YTO immediately. U.S. production of 6-speed rear-wheel-drive transmissions will be consolidated at the Toledo, Ohio transmission plant.
- We will cease production of 4L80 transmissions on July 31, 2009. Transmission assembly operations will cease on June 12 with machining operations continuing until July 31.
- We will cease production of 4T80 transmissions in June 2010, or sooner if market demand dictates.
- We will cease the remaining 4-speed transmission component production and close the site in December 2010, or sooner based on market demand.

I want to stress the fact that GM management knows that all of you – the men and women of Willow Run – are proud, hard-working people who have dedicated your working lives to building quality transmissions for a variety of GM vehicles in our 56-year history. Your work has influenced countless satisfied GM customers.

This is a difficult day. I know we will face the challenges ahead in the same way that we've always faced them – with dignity and pride. In the meantime, the safety of each and everyone here is a priority, along with staying focused on satisfying our customers.

Sincerely,



Dave Tatman, Willow Run Site Plant Manager

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
General Motors Corporation,	:	Case No. 09-50026 (REG)
Debtor.	:	
-----	x	

DECLARATION OF DON SKIDMORE FILED IN SUPPORT OF THE OBJECTION OF COUNTY OF WAYNE, MICHIGAN TO DEBTORS' MOTION TO APPROVE (A) THE SALE PURSUANT TO THE MASTER SALE AND PURCHASE AGREEMENT WITH VEHICLE ACQUISITION HOLDINGS, A U.S. TREASURY-SPONSORED PURCHASER, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) OTHER RELIEF

1. If called as a witness, I am competent to testify to the facts contained in this Declaration and these facts are true.

2. This Declaration is submitted in support of the Objection of County of Wayne, Michigan ("Objection") to Debtors' Motion to Approve (A) The Sale Pursuant to the Master Sale and Purchase Agreement with Vehicle Acquisition Holdings, A U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens, Claims, Encumbrances and Other Interests; (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (C) Other Relief.

3. For the past thirty-two years, I have been employed by General Motors ("GM") at the Willow Run Plant located in Ypsilanti, Michigan ("Willow Run Plant").

4. From 1991 thru 2008, I was the United Auto Workers' Benefit Representative for the Willow Run Plant.
5. In May 2008, I was elected President of Local Union 735.
6. The Willow Run Plant has two separate manufacturing facilities.
7. One facility, Ypsilanti Transmission Operation, produces a six speed transmission ("YTO Six Speed Facility") and the other facility, Willow-Run Transmission Operations, produces a four speed transmission ("Four Speed Facility").
8. The YTO Six Speed Facility and the Four Speed Facility are separated by a firewall and are operated independent of each other.
9. The YTO Six Speed Facility and the Four Speed Facility have separate workforces, equipment, and machinery.
10. The YTO Six Speed Facility building is approximately one million square feet and the Four Speed Facility building is approximately four million square feet.
11. Prior to the closure of the YTO Six Speed Facility on June 1, 2009, there were approximately two-hundred fifty workers employed at the YTO Six Speed Facility.
12. The YTO Six Speed Facility was constructed in 2004 and production began there in 2005.
13. GM has invested hundreds of millions of dollars in the YTO Six Speed Facility since 2003-04.

14. GM regularly conducted meetings at the YTO Six Speed Facility, including monthly meetings led by Don Morand, Plant Manager of the YTO Six Speed Facility, that all employees at the YTO Six Speed Facility were required to attend.
15. During these meeting GM distributed information and charts comparing the YTO Six Speed Facility to other GM manufacturing facilities that produced six speed transmissions, including the facilities in Toledo, Ohio ("Toledo Facility") and Silao, Mexico ("Mexico Facility").
16. During the monthly meeting that occurred during the last week of May 2009, I received a chart entitled "Global BIQ [Best in Quality] Level Survey" comparing the quality of products manufactured at GM's manufacturing facilities. A true and correct copy of this chart is attached as an exhibit to the Objection.
17. This chart compared the YTO Six Speed Facility to the Mexico Facility [Silao Transmission] and the Toledo Facility. As the chart indicates, using GM's own internal criteria, the YTO Six Speed Facility far outperformed the Mexico Facility and the Toledo Facility, earning a perfect 5 in all categories except for one.
18. Further, during the May monthly meeting, I received a chart entitled "PPM [Pulls Per Million] Performance Pulls." A true and correct copy of this chart is attached as an exhibit to the Objection.
19. This chart measures the number of transmissions produced at the GM manufacturing facilities included in the chart that were defective once they reached a consumer and had to be removed (i.e. pulled) from such consumer's vehicle.

20. As the chart indicates, the YTO Six Speed Facility had zero defective transmissions during the six month period from November 2008 – April 2009, compared to 21 defective transmissions at the Toledo Facility and 35 defective transmissions at the Mexico Facility [Silao].

21. Also distributed during the May monthly meeting was the chart entitled, “GMPT [GM Power Train] – FTQ [First Time Quality] Performance.” A true and correct copy of this chart is attached as an exhibit to the Objection.

22. This chart measures the percentage of products manufactured that were properly assembled when such products reached the end of the assembly line. This chart indicates that 99% of the six speed transmissions were properly manufactured at the YTO Six Speed Facility compared to 98% for the Toledo Facility and 95% for the Mexico Facility [Silao].

I DECLARE UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE AND CORRECT. EXECUTED ON JUNE 18, 2009.


Don S. Moore

EXHIBIT C

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 11
	:	
General Motors Corporation,	:	Case No. 09-50026 (REG)
	:	
Debtor.	:	
-----	x	

DECLARATION OF KEN FIGLEY FILED IN SUPPORT OF THE OBJECTION OF COUNTY OF WAYNE, MICHIGAN TO DEBTORS' MOTION TO APPROVE (A) THE SALE PURSUANT TO THE MASTER SALE AND PURCHASE AGREEMENT WITH VEHICLE ACQUISITION HOLDINGS, A U.S. TREASURY-SPONSORED PURCHASER, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) OTHER RELIEF

1. If called as a witness, I am competent to testify to the facts contained in this Declaration and these facts are true.

2. This Declaration is submitted in support of the Objection of County of Wayne, Michigan to Debtors' Motion to Approve (A) The Sale Pursuant to the Master Sale and Purchase Agreement with Vehicle Acquisition Holdings, A U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens, Claims, Encumbrances and Other Interests; (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (C) Other Relief.

3. For the past thirty-two years, I have been employed by General Motors ("GM") at the Willow Run Plant located in Ypsilanti, Michigan ("Willow Run Plant").

4. From 1990 thru 1996, I served as District Committeeman at the Willow Run Plant.

5. From 1996 thru 2008, I served as Zone Committeeman at Large for the Willow Run Plant.
6. In 2008, I was elected Bargaining Chairman for the Willow Run Plant.
7. The Willow Run Plant has two separate manufacturing facilities.
8. One facility, Ypsilanti Transmission Operation, produces a six speed transmission ("YTO Six Speed Facility"), and the other facility, Willow-Run Transmission Operations, produces a four speed transmission ("Four Speed Facility").
9. The YTO Six Speed Facility and the Four Speed Facility are separated by a firewall and are operated independent of each other.
10. The YTO Six Speed Facility and the Four Speed Facility have separate workforces, equipment, and machinery.
11. The YTO Six Speed Facility building is approximately one million square feet and the Four Speed Facility building is approximately four million square feet.
12. Prior to the closure of the YTO Six Speed Facility on June 1, 2009, there were approximately two-hundred fifty workers employed at the YTO Six Speed Facility.
13. The YTO Six Speed Facility was constructed in 2004 and production began there in 2005.
14. GM has invested hundreds of millions of dollars in the YTO Six Speed Facility since 2003-04.

15. On or about, January 22, 2009, Don Morand, the Plant Manager for the YTO Six Speed Facility, conducted a meeting with substantially all of the employees of the YTO Six Speed Facility.

16. At this meeting Mr. Morand, stated that it was cheaper to produce six speed transmissions at the YTO Six Speed Facility than at the GM six speed transmission plant in Toledo, Ohio ("Toledo Facility").

17. On or about January 29, 2009, Mr. Morand told me that it was \$145.00 cheaper to produce a six speed transmission at the YTO Six Speed Facility as compared to the Toledo Facility.

18. On February 3, 2009, I attended a Jobs Committee meeting for the Willow Run Plant, with among others, the Willow Run Plant Manager, Dave Tatman, and the Willow Run Personnel Director, Jim McIntosh. At this meeting Mr. Tatman confirmed that it was \$145.00 cheaper to produce a six speed transmission at the YTO Six Speed Facility as compared to the Toledo Facility.

19. In March 2009, Mr. Skidmore, and I met with Arvin Jones, GM's North American Power Train Manufacturing Manager. At this meeting, Mr. Jones confirmed that it was cheaper produce a six speed transmission at the YTO Six Speed Facility as compared to the Toledo Facility.

20. Mr. Tatman once again confirmed the \$145.00 figure during a meeting in late April 2009, that I attended with him, Mr. McIntosh, and Don Skidmore, the President of Local Union 735.

21. Also in March 2009, I met with Paul Leonard, the Comptroller for the Willow Run Plant. During this meeting Mr. Leonard confirmed that the landed cost to produce a six speed transmission at the YTO Six Speed Facility was \$145.00 less than at the Toledo Facility.

22. On May 7, 2009, I attended a meeting with Ypsilanti Township Supervisor Brenda Stumbo, Ypsilanti Township Clerk Karen Lovejoy Roe, Ypsilanti Township Treasurer Larry Doe, Mr. Tatman, and Mr. Skidmore at the Willow Run Plant. At this meeting and during the subsequent tour of the YTO Six Speed Facility, Mr. Tatman confirmed to all those in attendance that the landed cost to produce a six speed transmission at the YTO Six Speed Facility was \$145.00 less than the Toledo Facility.

23. On June 2, 2009, Steve Theodore, Sourcing Coordinator for Local Union 735, provided me with a document he received from Ken Cook, the Quality Manager for the YTO Six Speed Facility, that same day. This document stated that the YTO Six Speed Facility's production would be outsourced to three separate facilities: Silao, Mexico, Stasbourg, France and the Toledo Facility.

24. GM must outsource the YTO Six Speed Facility to three different facilities because none of them alone have the capacity, infrastructure, or equipment to match the production capacity of the YTO Six Speed Facility.

I DECLARE UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE AND CORRECT. EXECUTED ON JUNE 18, 2009.



Ken Figley

EXHIBIT D

RESOLUTION 2009-19

Resolution Requesting General Motors Corporation to Reconsider Its June 1, 2009 Decision to Close the Willow Run/ Ypsilanti Transmission Operations Plant

Whereas, the Charter Township of Ypsilanti has for the past 35 years partnered with General Motors Corporation (GMC) to insure its competitiveness and survival in the global economy as evidenced by the Township Board's unanimous approval of the two most recent tax abatements granted to GMC on **October 15, 2002** and **February 7, 2006** which total a staggering **\$270,993,500**; and

Whereas, the approval of the aforementioned tax abatements did in fact allow GMC – Willow Run/Ypsilanti Transmission Operations Plant (WR/YTO) to build the very best six-speed transmission at the lowest cost per unit in the GM Powertrain structure; and

Whereas, in spite of the fact that the WR/YTO is able to build the six-speed transmission at a landed cost of **\$145** per unit less than GM's Powertrain Plant located in Toledo, Ohio, GMC has announced in a letter dated **June 1, 2009** that it intends to close the WR/YTO facility in favor of the Toledo facility; and

Whereas, the closure of the WR/YTO facility will result in the loss of approximately **2,000** positions at GMC which will indirectly result in an additional loss of **11,490** jobs in the State of Michigan according to an economic analysis conducted by the University of Michigan; and

Whereas, the decision of GMC to close the WR/YTO facility in favor of the Toledo plant does not take into consideration the following:

1. The State of Michigan, through the issuance of tax credits by the MEDC, Washtenaw County, and Ypsilanti Township, coupled with an innovative work agreement with the UAW and Local 735, has resulted in the production by

2. The WR/YTO facility has twice the capacity and twice the necessary machinery to manufacture the six-speed transmission than the Toledo facility. Unless GMC reverses its decision to build the six-speed transmission at WR/YTO, it will require GMC to outsource the production of this transmission to the Silao, Mexico plant resulting in American taxpayers subsidizing this foreign plant at the expense of American workers.

3. The WR/YTO facility is the most cost effective plant in the GM Powertrain Division. WR/YTO produces all four variances of the six-speed transmission at the lowest cost per unit, saving GM **\$145** per transmission in comparison to the only other GM six-speed U.S. transmission plant located in Toledo, Ohio.

4. The cost savings to GMC in building the six-speed transmission at WR/YTO (as opposed to the Toledo plant) amounts to **\$2,276,500** per month or **\$27,318,000** per year. In light of the financial criteria imposed by President Barack Obama's Auto Task Force, it would be financially irresponsible not to take advantage of this tremendous cost savings given the billions of dollars invested by the American taxpayers to assist GMC in the objective of "**Reinventing General Motors**,".

5. According to GMC's Powertrain manufacturing records for North America, the six-speed transmission produced at the WR/YTO facility enjoys the highest quality rating, to wit: "**99% first time with zero pulls or defects from**

the field" which undoubtedly is related to the fact that the 1% absenteeism rate at WR/YTO is the lowest of all 22 Powertrain facilities.

6. The WR/YTO facility has the most competitive operating agreement in any of GMC's Powertrain facilities, with its entire workforce having just completed the latest GMC "**Team Concept Training**" at a cost of **\$2,000,000**.

7. The WR/YTO facility has the most dedicated and skilled workforce of any Powertrain facility in North America, many of whom are the second and third generation of workers who built the B-24 bomber which played a pivotal role in defeating Nazi Germany in World War II thereby securing freedom around the world and which plant, to this day, is still referred with great pride and affection as being the "**Arsenal of Democracy**;" and

Whereas, the Ypsilanti Township Board of Trustees, in conjunction with representatives of Washtenaw County, Wayne County, the UAW, and the State of Michigan, are willing to meet with representatives of GMC to discuss additional economic incentives so as to allow GMC to reverse its decision to close the WR/YTO plant.

Now Therefore,

Be it resolved that the Ypsilanti Township Board of Trustees requests GMC to reconsider its **June 1, 2009** decision to close the WR/YTO plant for all of the reasons set forth in **Resolution 2009-19**.

Be it further resolved that the Ypsilanti Township Board of Trustees goes on record in support of a property split of the 1,000,000 square foot WR/YTO plant from the 4,000,000 square foot facility (that currently produces the four-speed transmission) which will result in GMC reducing its current tax liabilities and operating costs by an additional 80%,

cementing its position as the most competitive Powertrain plant in North America.

Be it further resolved that the Ypsilanti Township Board of Trustees goes on record in support of state legislation that will allow for the creation of a Renaissance Zone to be used for the WR/YTO facility.

Be it further resolved that the Ypsilanti Township Board of Trustees requests Governor Jennifer M. Granholm and the State Representatives and Senators to expeditiously approve this needed legislation.

Be it further resolved that a certified copy of this Resolution be forwarded to General Motors President/Chief Executive Officer Fritz A. Henderson, Governor Jennifer M. Granholm, Congressman John D. Dingell, State Senator Alma Wheeler Smith, State Representative Elizabeth Brater, Washtenaw County Administrator Robert E. Guenzel, and Wayne County Chief Executive Officer Robert A. Ficano.

I, Karen Lovejoy Roe, Clerk of the Charter Township of Ypsilanti, County of Washtenaw, State of Michigan hereby certify the above resolution is a true and exact copy of Resolution No. 2009-19 approved by the Charter Township of Ypsilanti, Board of Trustees assembled at a Regular Meeting held on June 16, 2009



Karen Lovejoy Roe, Clerk
Charter Township of Ypsilanti

EXHIBIT E

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- x
 In re: : Chapter 11
 :
 General Motors Corporation, : Case No. 09-50026 (REG)
 :
 Debtor. :
 ----- x

DECLARATION OF STEVE THEODORE FILED IN SUPPORT OF THE OBJECTION OF COUNTY OF WAYNE, MICHIGAN TO DEBTORS' MOTION TO APPROVE (A) THE SALE PURSUANT TO THE MASTER SALE AND PURCHASE AGREEMENT WITH VEHICLE ACQUISITION HOLDINGS, A U.S. TREASURY-SPONSORED PURCHASER, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) OTHER RELIEF

1. If called as a witness, I am competent to testify to the facts contained in this Declaration and these facts are true.

2. This Declaration is submitted in support of the Objection of County of Wayne, Michigan ("Objection") to Debtors' Motion to Approve (A) The Sale Pursuant to the Master Sale and Purchase Agreement with Vehicle Acquisition Holdings, A U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens, Claims, Encumbrances and Other Interests; (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (C) Other Relief.

3. For the past thirty-three years, I have been employed by General Motors ("GM") at the Willow Run Plant located in Ypsilanti, Michigan ("Willow Run Plant").

4. The Willow Run Plant has two separate manufacturing facilities.

5. One facility, Ypsilanti Transmission Operation, produces a six speed transmission ("YTO Six Speed Facility") and the other facility, Willow-Run Transmission Operations, produces a four speed transmission ("Four Speed Facility").

6. From 2002 thru 2008, I was the Suggestions Coordinator for Local Union 735.

7. In the spring of 2008, I was elected Sourcing Coordinator for Local Union 735.

8. In March 2009, I met with Paul Leonard, the Comptroller for the Willow Run Plant. During this meeting Mr. Leonard confirmed that the landed cost to produce a six speed transmission at the YTO Six Speed Facility was \$145.00 less than the cost to produce the same six speed transmission at GM's facility located in Toledo, Ohio ("Toledo Facility").

9. On June 1, 2009, GM announced that it was closing the YTO Six Speed Facility, effective immediately.

10. On June 2, 2009, I met with Ken Cook, the Quality Manager for the YTO Six Speed Facility. At this meeting Mr. Cook provided me with a document which stated that YTO Six Speed Facility's production would be outsourced to three separate facilities: Silao, Mexico, Stasbourg, France and the Toledo Facility.

I DECLARE UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE AND CORRECT. EXECUTED ON JUNE 18, 2009.



Steve Theodore

EXHIBIT F

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re: : Chapter 11
: :
General Motors Corporation, : Case No. 09-50026 (REG)
: :
Debtor. :
----- X

**DECLARATION OF YPSILANTI TOWNSHIP SUPERVISOR
BRENDA L. STUMBO FILED IN SUPPORT OF THE OBJECTION OF COUNTY OF
WAYNE, MICHIGAN TO DEBTORS' MOTION TO APPROVE (A) THE SALE
PURSUANT TO THE MASTER SALE AND PURCHASE AGREEMENT WITH
VEHICLE ACQUISITION HOLDINGS, A U.S. TREASURY-SPONSORED
PURCHASER, FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND
OTHER INTERESTS; (B) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) OTHER RELIEF**

1. If called as a witness, I am competent to testify to the facts contained in this Declaration and these facts are true.
2. This Declaration is submitted in support of the Objection of County of Wayne, Michigan to Debtors' Motion to Approve (A) The Sale Pursuant to the Master Sale and Purchase Agreement with Vehicle Acquisition Holdings, A. U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens, Claims, Encumbrances and Other Interests; (B) The Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (C) Other Relief.
3. For the past 21 years I have represented the Charter Township of Ypsilanti in various elected positions.
4. From 1988 through 1992, I served as an Ypsilanti Township Trustee.
5. From 1992 through 2008, I served as the Ypsilanti Township Clerk.

6. In 2008, I was elected to serve as the Ypsilanti Township Supervisor.
7. On Thursday, May 7, 2009, I arranged a tour of the Willow Run Plant and the Ypsilanti Transmission Operations six speed transmission facility ("YTO Six Speed Facility") for myself and Ypsilanti Township Clerk Karen Lovejoy Roe and Ypsilanti Township Treasurer Larry Doe. Upon our arrival we were met by Daphne Adams of General Motors Business Communications and then went to a meeting in which Don Morand, the Plant Manager for the YTO Six Speed Facility, made a power point presentation.
 8. The purpose of this meeting was two-fold:
 - A. Mr. Morand presented a power point presentation concerning the history and current status of the Willow Run Plant and the YTO Six Speed Facility, and
 - B. Tour of the Willow Run Plant and the YTO Six Speed Facility.
 9. Also present at the May 7, 2009 meeting were the following individuals:
 - A. Dave Tatman, Willow Run Plant Manager,
 - B. Ken Figley, Bargaining Chairman for the Willow Run Plant, and
 - C. Don Skidmore, President of Local Union 735.
 10. The power point presentation delivered by Mr. Morand commenced with a history and overview of the Willow Run Plant and YTO Six Speed Facility. The power point presentation focused mainly on the YTO Six Speed Facility's production of the six-speed transmission which highlighted and showcased this facility as being the best Powertrain facility in North America, and possibly the world, as judged by the objective criteria employed by General Motors ("GM"), which measurements include quality, cost and efficiency.

11. Upon completion of the power point presentation there was much discussion amongst the GM and United Auto Workers (“UAW”) attendees who attributed the success and global competitiveness of the production of the six-speed transmission at the YTO Six Speed Facility to the innovative work agreement that had been entered into between GM and the UAW.

12. Mr. Tatman then expressed his pride, excitement and enthusiasm that the six-speed transmission produced at YTO Six Speed Facility had surpassed all objective measurements and benchmarks utilized and relied upon in the automobile industry.

13. Mr. Tatman then stated that the six-speed transmission produced at YTO Six Speed Facility was considered to be the best transmissions built by any domestic or foreign competitor anywhere in the United States.

14. Both Mr. Morand and Mr. Tatman then shared with all of us the following statistics:

- A. The YTO Six Speed Facility was planning to celebrate a day in May to commemorate its production of 775,000 six-speed transmissions with zero pulls, which translated into 100% quality production,
- B. The YTO Six Speed Facility produces the six-speed transmission at a cost savings of \$145 per transmission as compared to the GM Powertrain facility located in Toledo, Ohio (“Toledo Facility”),
- C. The absenteeism rate at the YTO Six Speed Facility was a mere 1%, which was the lowest rate of all GMC’s Powertrain facilities, including the Toledo Facility,

- D. Mr. Tatman specifically stated that in all of his years of working in the manufacturing industry, he had never experienced a better working relationship between management and its employees as the one he had encountered at the YTO Six Speed Facility, and
- E. In light of the foregoing, the YTO Six Speed Facility had been approved to work one additional week as compared to other GM Powertrain facilities during the GM shutdown and it was also authorized to increase its production of the six-speed transmission.

15. Upon listening to both the power point presentation and the discussion afterwards, all of us present from Ypsilanti Township were led to believe that not only should we be confident that the YTO Six Speed Facility would remain fully operational, but we should also be proud of the GM Management team and the UAW for working in a collaborative manner to produce the best six-speed transmission in the world.

16. Upon completion of this meeting I, along with Township Clerk Roe and Treasurer Doe, were given a personal tour of the YTO Six Speed Facility. This tour confirmed from a layman's standpoint the massive \$600,000,000 investment in this stand alone facility by GM, made possible due to the issuance of tax credits by the State of Michigan and Ypsilanti Township.

17. Upon leaving the YTO Six Speed Facility, I along with Clerk Roe and Treasurer Doe, were extremely proud that this facility located in Ypsilanti Township was the #1 Powertrain facility in the United States and were grateful that the men and women who worked at this facility could produce the six-speed transmission for \$145 less per unit than the Toledo Facility, thereby insuring the survival of the plant.

**I DECLARE UNDER PENALTY OF PERJURY, THAT THE FOREGOING IS TRUE
AND CORRECT. EXECUTED ON JUNE 18, 2009.**



Brenda L. Stumbo
Ypsilanti Township Supervisor

EXHIBIT G

Global BIQ Level Survey

GMPT NA, Results 1st quarter 2009

BIQ Criteria	Baltimore	Bay City	Bedford	Defiance	DMAX	Flint North	Flint South	Fredericksburg	Livonia Engine	Parma	Ramos Engine	Ramos Transmission	Romulus Engine	Silao Engine	Silao Transmission	SMCO	Spring Hill Engine	St. Catharines	Toledo	Toluca Foundry	Toluca Engine	Tonawanda Engine	Warren Transmission	Willow Run	Windsor	Wixom Engine	YTO	GMPT NA BIQ Level III grade of compliance per BIQ criteria
Ext. Disruption	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
Pulls	5	5	5	5	1	5	1	5	5	5	5	1	1	3	3	5	1	1	1	5	1	4	1	1	1	5	5	59%
Assy	1	3	1	4	3	4	1	5	1	4	3	1	3	1	1	4	1	1	4	1	1	1	3	3	3	3	4	56%
FTQ	3	3	3	3	2	2	3	5	3	5	3	3	3	3	4	3	3	3	4	1	3	2	3	3	3	3	89%	
Warranty	3	4	5	5	2	4	3	4	3	4	2	2	3	2	3	2	3	3	4	3	3	3	3	2	2	2	78%	
GMS PI	5	2	2	2	2	2	5	2	2	2	2	2	2	5	5	2	2	2	2	5	5	2	2	2	2	2	26%	
GMS STD	5	2	2	2	2	2	2	2	2	2	2	2	2	2	3	3	2	2	2	5	5	2	2	2	2	2	22%	
GMS BIQ	1	1	3	3	1	1	3	1	1	3	3	1	1	4	3	3	1	1	3	3	3	1	1	3	3	3	52%	
GMS SLT	5	5	5	2	2	2	5	2	5	5	2	2	2	5	2	3	2	2	5	5	5	2	2	2	2	2	48%	
GMS CI	2	2	2	2	2	2	5	2	2	2	2	2	2	5	2	2	2	2	2	5	5	2	2	2	2	2	22%	
GMS Absolutes	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	4%	
Back-to-Basics	2	3	2	3	2	3	3	3	3	5	5	3	3	2	3	5	3	3	3	3	2	3	3	3	3	3	78%	
Plant BIQ Level	1	1	1	2	1	1	1	1	1	2	2	1	1	1	1	2	1	1	1	1	1	1	1	1	1	2		



EXHIBIT H

PPM Performance - Pulls

Total Powertrain Transmission Pulls to Vehicle Assembly Plants
Six-Month PPM Data thru Apr, 2009

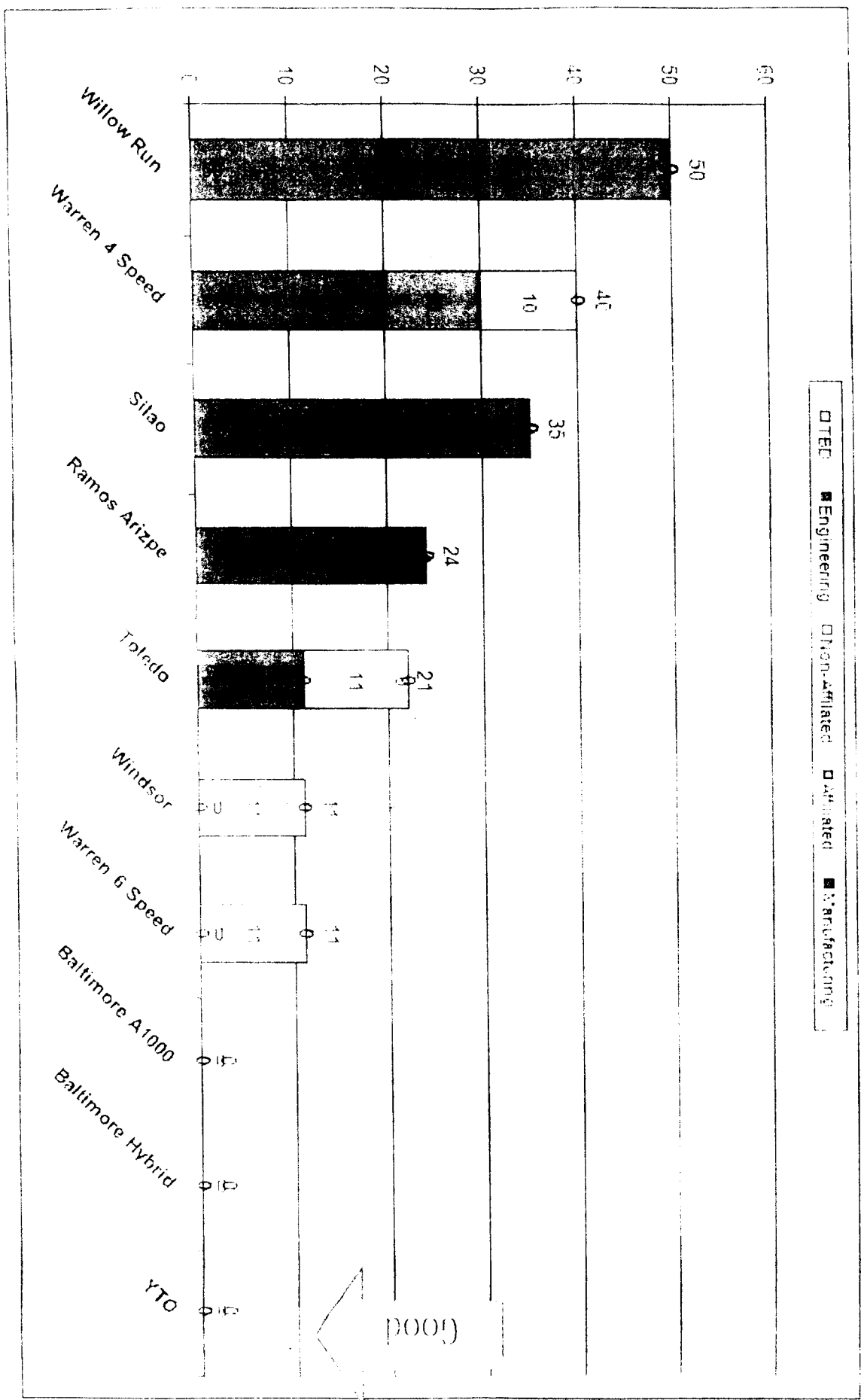


EXHIBIT I

GMPT North America - FTQ Performance
Total Powertrain Transmission FTQ
Six-Month PPM Data thru Apr, 2009

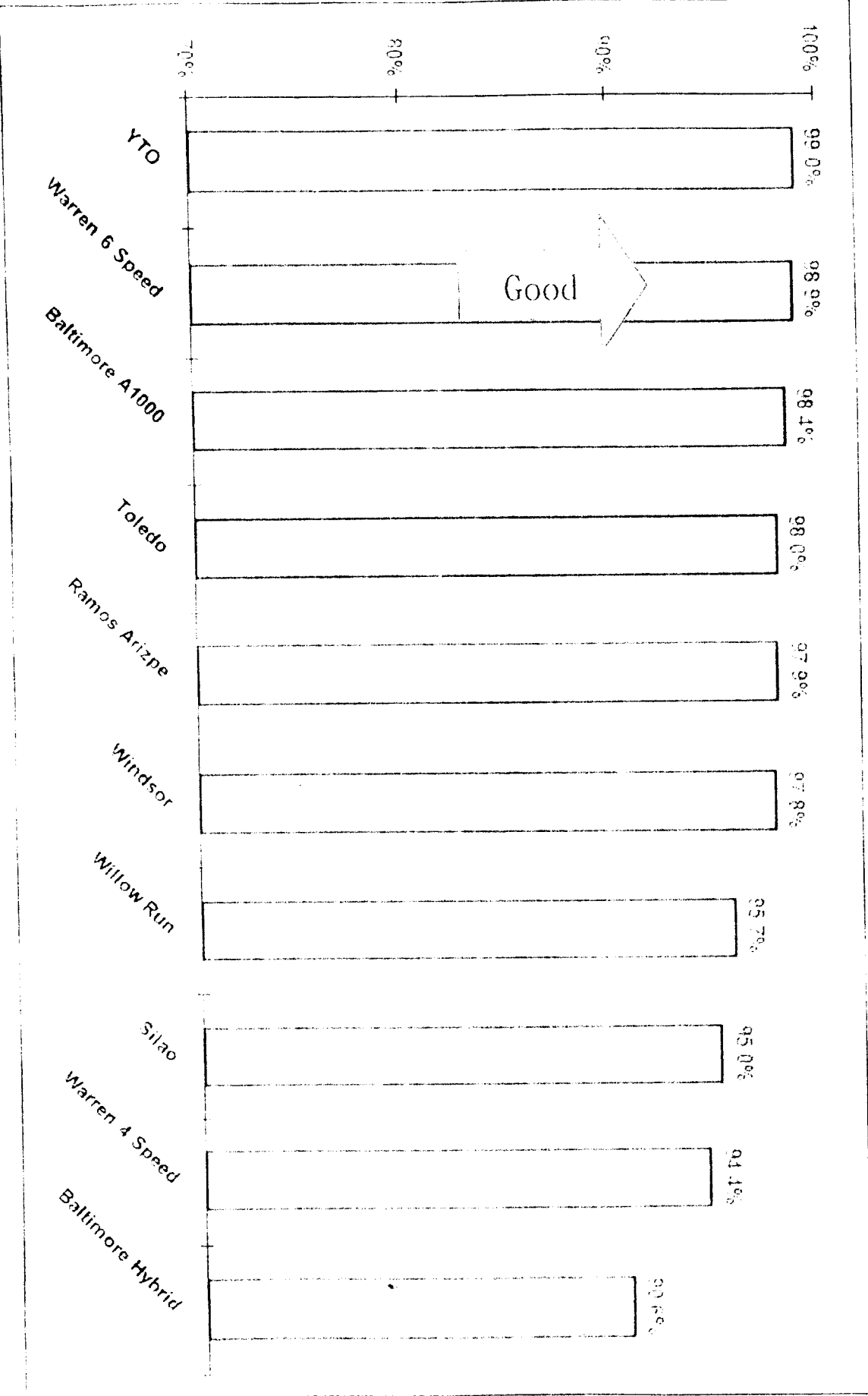


EXHIBIT J



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

June 18, 2009

Mr. Fritz A. Henderson
President and Chief Executive Officer
General Motors Corporation
300 Renaissance Center
Detroit, MI 48265-3000

Dear Mr. Henderson:

As the home of General Motors for more than a century, Michigan is anxious to retain as many facilities and employees as it can as the company is re-engineered for its next 100 years.

In this regard, we have been working closely with the Ypsilanti Township community to create a package of incentives that will lead you to reverse your current plan to close the historic Willow Run facility at the end of 2010. To that end, we are making the following proposal:

As Governor and Lt. Governor, we support the establishment of a Michigan Strategic Fund (MSF)-designated Renaissance Zone for the General Motors Willow Run facility, if General Motors declares its interest in establishing or re-establishing manufacturing operations at Willow Run without jeopardizing other GM facilities in Michigan. As required by statute, in order to receive the MSF-designated Renaissance Zone, General Motors would have to enter into a development agreement with the MSF, fully describing the jobs that will be created or retained and the amount of new investment GM is willing to make in that facility.

We have directed the Michigan Economic Development Corporation and my special advisor on automotive issues, Fred Hoffman, to work with you and your staff as you integrate this proposal into your decision-making. We ask that you give this offer every consideration.

Sincerely yours,

Jennifer M. Granholm
Governor

John D. Cherry, Jr.
Lt. Governor

EXHIBIT K

JOHN D. DINGELL
15TH DISTRICT MICHIGAN

CHAIRMAN
COMMITTEE ON
ENERGY AND COMMERCE
CO CHAIR
HOUSE GREAT LAKES
TASK FORCE
MEMBER
MIGRATORY BIRD
CONSERVATION COMMISSION

Congress of the United States
House of Representatives
Washington, DC 20515-2215

June 1, 2009

WASHINGTON OFFICE
ROOM 2328
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2215
(202) 225-4071
DISTRICT OFFICES
19855 WEST OUTER DRIVE
SUITE 103-E
DEARBORN, MI 48124
(313) 278-2936
73 EAST FRONT STREET
SUITE 102
MONROE, MI 48181
(734) 243-1849
301 WEST MICHIGAN AVENUE
SUITE 305
YPSILANTI, MI 48197
(734) 481-1100

Mr. Fritz A. Henderson
President and Chief Executive Officer
General Motors Corporation
300 Renaissance Center
Detroit, MI 48265-3000

Dear Mr. Henderson:

As a Congressman who has fought hard to preserve and promote American manufacturing, with particular regard for the domestic automakers General Motors (GM), Ford, and Chrysler, I am troubled to learn that GM plans to close its Willow Run Transmission Plant in Ypsilanti Township, Michigan.

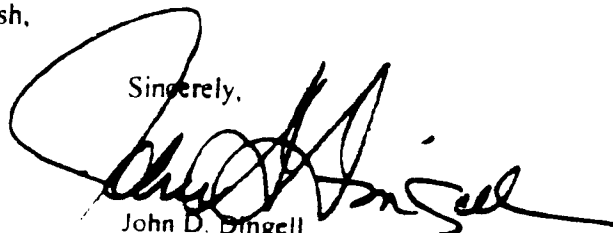
As you well know, this plant was once known as the "Arsenal of Democracy" for having built the famous B-24 bomber that helped the U.S. and its allies win the Second World War. More recently, the support of the Michigan Economic Development Corporation, tax abatements by Ypsilanti Township, and an investment of \$557 million by GM itself have allowed the Willow Run facility to remain an international leader in the efficient assembly of quality six-speed transmissions. When measured against GM's internal quality scorecard, the Willow Run team assembles GM's highest-rated transmission.

Further, I understand that the Willow Run plant produces GM's six-speed transmission for \$145 cheaper than any other comparable facility in the United States. Given this obvious competitive advantage, I would request further clarification by GM for the economic rationale behind the decision to shutter its Willow Run facility.

In view of the significant investments already made in the Willow Run plant and the skill of its dedicated workforce, I respectfully urge that GM, under the auspices of its restructuring plan, commit to retaining this facility and its workers. Its closure would have a catastrophic effect on the community in which it is located, one already under severe economic duress as a result of the current recession. Retaining the Willow Run facility would not only evidence GM's recognition of a model plant in terms of quality and efficiency, but also demonstrate a praiseworthy dedication on the company's part to preserving valuable jobs in Michigan and the United States in general.

With every good wish,

Sincerely,



John D. Dingell
Member of Congress

EXHIBIT L



JUN 17 2009

Gary L. Cowger
Group Vice President
Global Manufacturing
and Labor

General Motors Corporation
Mail Code: 482-C37-D81
300 Renaissance Center
Detroit, MI 48265-3000
USA

June 5, 2009

The Honorable John Dingell
United States House of Representatives
2328 Rayburn Building
Washington, DC 20515

Dear Congressman Dingell:

Thank you for your letter of support for the Willow Run / YTO transmission site. It was a very difficult decision to close the plant in December 2010 and not a decision we took lightly.

The decision to close the Willow Run / YTO site was, in no way, a reflection on the talented men and women working at the facility. It was not made because of something the employees, union, management or government failed to do. The decision was based on future market demand, increased capacity utilization and investment requirements.

GM is transitioning our powertrain portfolio from 4-speed transmissions to more fuel-efficient 6-speed transmissions. As a result, we will cease production of the 4-speed transmissions and components built at Willow Run in stages through December 2010 as they reach the end of their lifecycle. In addition, the market for GM's rear-wheel drive 6-speed transmission, the second product currently manufactured at Willow Run, has experienced a severe decline in the marketplace due to a diminished demand for full-size trucks and SUVs. This required the need for further capacity reductions to ensure the long-term success of GM and the consolidation of the existing transmission volume into one site.

While the cost per unit numbers you referenced for the Willow Run / YTO plant were not the latest numbers, the Willow Run plant is very competitive in the metrics we use to evaluate performance. From a comparable volume perspective, however, the Toledo operation produces 6-speed transmissions at relatively equal quality and manufacturing costs. Another important factor which influenced our decision was structural costs. This includes the fact that Willow Run is a 5 million sq. ft. facility, and the 6-speed transmission required only 20 percent of

The Honorable John D. Dingell
June 5, 2009
Page Two

the Willow Run plant's floor space at previous volumes, and requires even less floor space at current volumes. This level of capacity utilization cannot be competitive and is not sustainable for the Willow Run site.

I know this very tough decision is heavily impacting our Willow Run / YTO employees and their families. I want to assure you that we remain committed to working with you and federal, state and local officials to ensure a smooth transition for our employees and the Ypsilanti community.

For many years, we have enjoyed a very good relationship, and I'm hopeful that as we wind down the site, we can work together to create the best protection possible for the employees of the plant and the community.

With kindest regards,


Gary L. Cowger

c: Mr. F. A. Henderson

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
150 West Jefferson Ave., Suite 2500
Detroit, MI 48226
Timothy A. Fusco
Marc N. Swanson
(313) 496-8435

Attorneys for County of Wayne, Michigan

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- x
In re: : Chapter 11
: :
General Motors Corporation, : Case No. 09-50026 (REG)
: :
Debtor. :
----- x

CERTIFICATE OF SERVICE

Timothy A. Fusco hereby certifies that, on the 18th day of June, 2009, he served a copy of the foregoing document, **Objection Of County Of Wayne, Michigan To Debtors' Motion To Approve (A) The Sale Pursuant To The Master Sale And Purchase Agreement With Vehicle Acquisition Holdings, A U.S. Treasury-Sponsored Purchaser, Free And Clear Of Liens, Claims, Encumbrances And Other Interests; (B) The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases And (C) Other Relief ("The Objection")** upon each of the persons listed on the attached Exhibit A, by Federal Express Priority Overnight Mail so as to be received by each of the persons listed on the attached Exhibit A before 5:00 p.m., June 19, 2009.

The Objection was hand delivered on the 19th day of June, 2009 so as to be received before 5:00 p.m. on that date by the U.S. Attorney's Office S.D.N.Y., 86 Chambers St., Third Floor, New York, NY 10007 (Attn: David S. Jones, Esq. and Matthew L. Schwartz, Esq.).

The Objection was filed with the Court on the 19th day of June, 2009 via the Court's ECF system which will also serve a copy of the document electronically upon all registered participants in this matter.

Dated: June 19, 2009

By: /s/ Timothy A. Fusco

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EXHIBIT A

FEDERAL EXPRESS SERVICE LIST

Weil, Gotshal & Manges LLP
Attn: Harvey R. Miller, Esq., Stephen Karotkin, Esq., Joseph H. Smolinsky, Esq.
767 Fifth Avenue
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Cadwalader, Wickersham & Taft LLP
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One Liberty Plaza
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Cohen, Weiss and Simon LLP
Attn: Babette Ceccotti, Esq.
330 W. 42nd Street
New York, NY 10036

Vedder Price, P.C.
Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.
1633 Broadway, 47th Floor
New York, NY 10019

Office of the United States Trustee
for the Southern District of New York
Attn: Diana G. Adams, Esq.
33 Whitehall St., 21st Floor
New York, NY 10004

Kramer Levin Naftalis & Frankel, LLP
Attn: Thomas Moers Mayer, Kenneth H. Eckstein, Gordon Z. Novod
1177 Avenue of the Americas
New York, NY 10036